PROGRAM - COMMENTS AND BACKGROUND INFO ON AGREEMENTS

2

FBS REGULATIONS CHAPTERS 9 and 11 DEAL WITH PREPARATION

OF AGREEMENTS AND TREATIES FOR SUBMISSION TO WASINGTON.

FOREIGN SERVICE DESPATCH FROM EMBASSY ACCOMPANIES

ORIGINAL ENGLISH AND ARABIC SIGNED TEXTS TO DEPT OF STATE,

ATTENTION TREATY DIVISION, OFFICE OF LEGAL AFFAIRS.

THIS DESPATCH SIMPLY STATES TITLE, DATE OF SIGNATURE.

SIGNED BY AMBASSADOR.

ONE ENGLISH AND ONE ARABIC TEXT ARE GIVEN TO THE EMBASSY. THEY CERTIFY THEM FROM THE SIGNED ORIGINALS AS TRUE AND EXACT COPIES AND FILE IN THE EMBASSY FILES.

ALL AGREEMENTS ARE THEN TYPED ON F.S.DESPATCH FORMS, ~~XXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXX~~ CONTINUATION SHEETS. FIRST PAGE OF THESE DESPATCHES CONTAINS THE COVERING INFORMATION - AGREEMENT IS FORWARDED AS PART OF THIS DESPATCH ETC. THIS FIRST PAGE IS SIGNED BY THE COUNTRY DIRECTOR AND GIVEN A TOTEC DESPATCH NUMBER. THEY ARE SENT TO EMBASSY FOR HANDLING AS TOTEC DESPATCHES.

EXAMPLES OF THIS DESPATCH CAN BE FOUND IN DESPATCH FILE.

DISTRIBUTION OF COPIES OF AGREEMENTS.

ORIGINAL ENGLISH XXXXXXXXXX SIGNED TEXT IS GIVEN SAG THROUGH LIAISON OFFICE

ORIGINAL ENGLISH AND ARABIC SIGNED TEXTS FORWARDED TO WASHINGTON WITH FS DESPATCH FROM EMBASSY.

ONE COPY OF ENGLISH AND ARABIC ARE CERTIFIED AS TRUE AND EXACT COPIES AND FILED AT EMBASSY.

FS TOTEC DESPATCH AGREEMENTS SENT TO EMBASSY FOR HANDLING AS REGULAR TOTEC DESPATCHES.

2 copies are given Liaison office for translation purposes.

2 copies are given Liaison office for their files.

1 copy is given to each Division Chief concerned with Agreement.

1 copy is sent to Hart's office direct.

1 copy is filed in Division File in Central File.

1 copy is filed in Agreements file in Central File.
1 copy is sent to FAO, Jidda.
Extra copies are kept for any future necessary distribution.

MAKE UP 2 originals for signing.

Make up at least 15 copies for files and distribution.

Make up FS Despatch of complete agreement, after signing.

1 ENGLISH SIGNED 1 ARABIC SIGNED

1 ENGLISH UNSIGNED 1 ARABIC UNSIGNED

Public Health
Rural Community

OF RAILWAY SURVEY
AERIAL SURVEY
AGRICULTURE
NATURAL RESOURCES
TRANSPORTATION AND COMMUNICATION

SENT TO EMBASSY ON 12/4/52. — 12/24/52

THEY ARE TO TRANSMIT THE SIGNED COPIES TO THE TREATY DIVISION
OFFICE OF LEGAL AFFAIRS
DEPARTMENT OF STATE
WASHINGTON, D.C.

UNDER COVER OF THE FS DESPATCHES WHICH WE TYPED FOR THEM.

OK.

THEY ARE TO NOTIFY US OF THE CLASSIFICATION, DATE, DESPATCH NUMBER AND SIGNATURE ON THE FS DESPATCHES IN ORDER THAT WE MAY COMPLETE OUR FILES.

ONE ENGLISH UNSIGNED AND ONE ARABIC UNSIGNED OF EACH OF ABOVE SENT TO EMBASSY ON 12/4/52 . THEY ARE TO CERTIFY AS TRUE AND CORRECT COPIES AND FILE IN THEIR FILES.

ONE SIGNED ENGLISH OF ALL ABOVE WERE RETAINED BY SAG.
ON 12/4/52, WE SENT THEM 2 COPIES UNSIGNED OF ALL ABOVE.

SAG HAS BOTH ENGLISH ORIGINALS OF COMMUNITY DEVELOPMENT
EDUCATION
HEALTH
WHICH ARE YET TO BE SIGNED.

ON 12/4/52 WE SENT THEM TWO COPIES OF EACH OF THESE THREE.UNSIGNED.

WE HAVE NO ARABIC TEXTS FOR OUR FILES. WE RECEIVED TWO OF EACH AGREEMENT

ONE SIGNED ONE UNSIGNED. THESE WERE TURNED OVER TO EMBASSY AS ABOVE FOR TRANSMITTAL TO WASHINGTON AND FOR EMBASSY FILES.

File 1-
2
Chron.

Jidda, Saudi Arabia

MEMORANDUM July 28, 1953

TO: Mr. John A. Dunaway, Acting U. S. Director of Technical Cooperation in Saudi Arabia

FROM: Edward Betzig, Acting Program Officer

SUBJECT: Joint Funds

Reference is made to an exchange of memoranda dated July 20, July 23 and July 25, concerning the subject of joint funds. From the viewpoint of operating efficiency, the joint fund technique has much in its favor and appears to have worked successfully in those countries where it has been applied. Up to the present time due to a number of circumstances, no attempt has been made to apply this technique in Saudi Arabia.

Very valid reasons doubtless exist as to why the joint fund plan has not been used in Saudi Arabia. However, this is not to say that its use is thereby ruled out in the future. Certainly from a long range view, it has very definite merits. In the case of the Health and Sanitation Division, a number of factors exist making its use a definite possibility. The Saudi Health Ministry is one of the more advanced of the Saudi ministries. It has a fair sized budget. There is a real awareness as to the need for expanding health services. The Ministry has a good record of concrete achievements and it is ambitious to do more. The staff is eager to see its services expanded. Of all the Ministries in the Saudi Government, it is perhaps the best testing ground for a joint fund program. One of TCA's objectives is to strengthen the administrative organization of the host government. The joint fund is a device to achieve this end.

Mr. Ferguson has discussed the nature of the joint fund with me a number of times. In March 1953, on receipt of Circular #32 dealing with program agreements as obligating documents, he brought the matter up. In June he wrote a memorandum concerning the matter of revising the existing Program Agreement so as to contain a provision for a joint fund.

As far as I know Mr. Ferguson has had few discussions with SAG officials to date on this matter. In his July 20 memo he briefly discussed the matter with Doctors Roume and Shuman. In a meeting with Dr. Shuman on July 16 which I attended, there was no time to discuss the matter. Mr. Ferguson informed me of another meeting on July 22, which I was unable to attend. The fund was not discussed.

Considering

Considering the length of time it takes to carry out any type of negotiation with SAG, if TCA/SA is eventually to have a joint fund arrangement, a slow educational process is necessary. In discussing the fund with SAG it is not necessary to mention sums of money. Until TCA/SA is advised by TCA/W as to the size of the health budget, such is not possible in any case.

If stress is laid on the fact that no commitment can be made as to the health budget's size, a cautious discussion of the fund arrangement now would break the ground for eventual implementation.

It should be noted that the idea of a joint fund is a drastic change in procedure and practice. Therefore, any negotiations concerning such matters must be done with the full knowledge of the Chief of the Diplomatic Mission and the U. S. Director. The Program Officer should attend conferences pertaining to such matters. Also, it should be noted that the final decision as to the applicability of this form of agreement must of necessity rest with them.

EBetzig:o

File
Agreements
Comments

American Embassy
Jidda, Saudi Arabia

MEMORANDUM July 23, 1953

TO: Mr. C. W. Ferguson
Chief, Health and Sanitation Division

FROM: John A. Dunaway, Acting U. S. Director of
Technical Cooperation in Saudi Arabia

SUBJECT: Joint Funds

I have your memo of the 20th inst. on the above-named subject. Without going into the pros and cons of the matter, it occurs to me that in the absence of appropriations for further projects, a discussion with the SAG officials is somewhat academic and perhaps premature. So far as I can see now, we are committed to two projects for which as yet funds have not been appropriated, i.e., maternity center and the vaccine laboratory. If and when funds are provided for these two projects, is it your idea to renegotiate the whole health program under a joint fund operation, including the quarantine station?

JADunaway/djh

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f-2
chron

Jidda, Saudi Arabia
July 21, 1953

MEMORANDUM TO: Mr. John A. Dunaway
Acting U. S. Director of Technical
Cooperation in Saudi Arabia

FROM: John A. Stacy
Acting Executive Officer

RE: Mr. Ferguson's Memorandum dated July 20, 1953,
subject: Joint Funds

My comments respecting Mr. Ferguson's memorandum of July 20 on the above subject may be summarized as follows:

I am a great believer in the use of joint fund method of financing technical aid and I believe that the greatest possible discussion on this point should take place. I think we have to be careful in discussing joint funds, however, to make quite clear the limitations on presently available funds, but I am equally sure that if a large joint fund project were developed and presented to Washington, we would stand an excellent chance of obtaining our proportionate share of contribution for such joint fund project. I cannot stress too much the desirability of making our financial position clear when we are talking about joint funds or additional projects.

I notice that Mr. Ferguson speaks of a type of "program agreement." I think he is actually talking about a project agreement in this memorandum, but it is true that the entire health program could be drawn up on a joint fund basis along the lines suggested by the third paragraph of Mr. Ferguson's memorandum, "Subject: Interpreters" of this same date. I wonder if a project with very specific objectives in the field of prevention of communicable diseases could not be drawn up with Dr. Schuman to cover work to be done in and around the metropolis of Jidda. Personally, I would rather go to Washington and ask for a hundred thousand dollars for such a project in and around Jidda than for one dollar to carry on the research proposed in Mr. Ferguson's memorandum of this date, "Subject: Field Trip to Wadi Khulais."

Agreements F-1
Comments
~~Health~~
Budget

Jidda, Saudi Arabia

July 20, 1953

MEMORANDUM TO: Mr. J. A. Dunaway
Acting U. S. Director

FROM: G. W. Ferguson
Chief, Health and Sanitation Division

SUBJECT: Joint Funds

A few days ago in a meeting at the Ministry of Health with Dr. B. Roume and Dr. Shuman, with Mr. Husseini translating, the writer discussed briefly the advantages of operating a health program using the "Joint Fund" method. It was explained that the Health Program Agreement in Ethiopia was being translated into Arabic for their information.

Dr. Roume expressed considerable interest in this idea and asked if they could receive information about health programs in other countries. He indicated a desire to continue the discussion of the joint fund after reading programs from other countries. Incidentally, I felt that Mr. Husseini was also very interested in this type of Program Agreement.

I shall continue to pursue this plan of operation at every opportunity.

cc: E. Betzig

GWFerguson:dg G.W.F.

COPY COPY COPY

Comments on Agreement

AIRGRAM

DEPARTMENT OF STATE

Answered Pg OM # 30 6/6/53. (See final Co Agreement for

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AMEMBASSY, JIDDA

TOTEC 1173

A-79, May 9, 1953

TCA/S should determine whether SAG receptive to establishment cooperative service to administer Rural Community Development Project. Proposal may be presented SAG as means providing greater administrative flexibility, more cooperative program and demonstration to SAG benefits of joint operation.

If SAG agreeable establishment cooperative service, negotiate and sign following amendments Rural Community Development Project Agreement:

(1) New Art. III: QUOTE There is hereby established within the Ministry of Finance an agency to be known as the Saudi-Arabian-American Rural Community Development Cooperative Service (hereinafter referred to as the "Service"). The Service shall be responsible for administering this cooperative project in accordance with the provisions of this Agreement. The Minister, or his designee, and the Director, or his designee, shall serve as Co-Directors of the Service. The monies of the Service which shall be contributed by the two Governments pursuant to Article IV below may be maintained in such bank or banks as the Co-Directors shall select, and shall be available only for the purposes of this Agreement. UNQUOTE

(2) Last sentence Article II should be deleted and present Articles III and IV should be renumbered IV and V. First line of new Article IV should be amended to read: QUOTE The two Governments shall make the following contributions to the Service to be used for the purposes of this Agreement UNQUOTE. Reference to Article III in present Article IV, new Article V, should be changed to refer to Article IV to conform to new numbering.

(3) New Article VI: QUOTE 1. The cooperative projects of rural community development herein provided for shall be jointly planned and administered by the Co-Directors of the Service. Each project shall be embodied in a written project agreement which shall be signed by the Co-Directors, shall define the work to be done, shall make allocations of funds therefor from monies available to the Service, and may contain such other matters as the parties may desire to include.

2. Upon substantial

RESTRICTED

2. Upon substantial completion of any project, a Completion Memorandum shall be drawn up and signed by the Co-Directors, which shall provide a record of the work done, the objectives sought to be achieved, the expenditures made, the problems encountered and solved and related basic data.

3. The general policies and administrative procedures that are to govern the Rural Community Development Projects, the carrying out of projects, and the operations of the Service, such as the disbursement of and accounting for funds, the incurrence of obligations of the Service, the purchase, use, inventory, control and disposition of property, the appointment and discharge of officers and other personnel of the Service and the terms and conditions of their employment, and all other administrative matters, shall be determined jointly by the Co-Directors.

4. All contracts and other instruments and documents relating to the execution of projects under this Agreement shall be executed in the name of the Service and shall be signed by the two Co-Directors. The books and records of the Service relating to the cooperative projects shall be open at all times for examination by authorized representatives of the Government of Saudi Arabia and the Government of the United States of America. The Co-Directors of the Service shall render an annual report of their activities to the two Governments, and other reports at such intervals as may be appropriate.

5. Any power conferred by this Agreement upon the Co-Directors may be delegated by either of them to his respective assistants, provided that each such delegation be satisfactory to the other. Such delegation shall not limit the right of the Co-Directors to refer any matter directly to one another for discussion and decision. UNQUOTE.

(4) Delete present Article V.

(5) New Article VII: QUOTE 1. All contract employees who are citizens of the United States of America under contracts entered into by the Service to assist in carrying out this cooperative project shall receive the same rights, privileges and exemptions as accorded employees of the Government of the United States of America under the terms of the

General

General Agreement for Technical Cooperation referred to in Article I herein. At suitable intervals the Ambassador of the United States of America to Saudi Arabia shall furnish to the Minister of Foreign Affairs of Saudi Arabia the names of the personnel to whom the provisions of this paragraph are applicable.

2. Supplies, equipment and materials purchased by the Service or contributed to the Service by the Government of the United States of America, either directly or by contract with public or private organization, shall be admitted into Saudi Arabia free of any customs, import and other duties or charges. UNQUOTE.

(6) New Article VIII. QUOTE The two Governments will establish procedures whereby the Government of Saudi Arabia will so deposit, segregate, or assure title to all funds allocated to or derived from any program involving the use of contributions by the Government of the United States of America that such funds shall not be subject to garnishment, attachment, seizure, or other legal process by any firm, agency, corporation, organization, or government when the Government of Saudi Arabia is advised by the Government of the United States of America that such legal process would interfere with the attainment of the objectives of the projects. UNQUOTE.

(7) Present Articles VI and VII shall become new Articles IX and X.

If SAG agreeable in principle to proposal for establishment of joint administrative agency but suggests alterations in the amendments proposed above, TCA/SA must submit such alterations for approval of the Department prior to signature.

The amending agreement should be signed by the same officials who signed the original and it should contain a provision that it will enter into force on the date it is signed.

DULLES

SES
TCA

Ministry of Foreign Affairs,
Mecca.

3/1/14/7947
19/8/1372
May 3, 1953.

The Saudi Arabian Ministry of Foreign Affairs presents its compliments to the American Embassy at Jidda and refers to the latter's notes No.476 of April 13, 1953 and No.478 of April 16, 1953 regarding the exemption of Miss Lavonne Swearingen and Miss Patricia Marlin, employees of the Technical Cooperation Administration from the payment of quarantine fees.

The Ministry has the honor to inform the Embassy that Article Four of the agreement concluded between His Majesty's Government and the Government of the United States of America does not define the exemption of the Technical Cooperation Administration employees from the payment of the quarantine fee.

The Ministry avails itself of this opportunity to renew the assurances of its highest consideration.

To the American Embassy,

J i d d a.

الرقم ٢/١/١٤/٧٩٤٧
التاريخ ١٩/٨/١٣٧٢
الموافق

وزارة الخارجية
مكة المكرمة

تهدي وزارة الخارجية العربية السعودية تحياتها الى السفارة الامريكية بجدة

وبالاشارة الى مذكرتيها رقم ٤٧٦ وتاريخ ٥٣/٤/١٣ ورقم ٤٧٨ وتاريخ ٥٣/٤/١٦ بشأن اعفاء المس لافان سوارجمن والمس باتريشيا مارلن من موظفي المساعدة الفنية من رسوم الكرنتينة .

تتشرف بأخبارها بأن المادة الرابعة من الاتفاقية المعقودة بين حكومة جلالته وحكومة الولايات المتحدة الامريكية لم تنص على اعفاء موظفي المساعدة الفنية من رسوم الكرنتينا .

وتنتهز الوزارة هذه الفرصة للاعراب عن فائق احترامها ....

الى السفارة الامريكية المحترمة / بجدة

Comments on agreements

C
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P
Y

25 April 1953

See Rural Comm Dev. Projects

Mr. John A. Dunaway
Acting Country Director

U. S. T.C.A.
Jeddah, Saudi Arabia

Dear Sir,

Greetings: I refer to our joint conference of the T.C.A. and the FAO on 5th April, 1953. The Saudi Arabian Government is interested in developing the resources of this country as rapidly as finances and availability of technically trained personnel permit. The need to increase domestic food production caused the government to take action to initiate agricultural development projects. The government signed agreements with FAO. in 1950 for organization to begin studies in Saudi Arabia to determine the possibilities of agricultural development. These studies were begun and were coordinated with the studies made by the U.S. Geological Survey and later the U.S. T.C.A. After preliminary surveys were made, the government, the FAO, and the U.S.G.S. decided to concentrate their studies on the South Tihama Asir area as that area seemed to offer the greatest potential for development of the land and water resources.

Based on FAO's recommendations, in January, 1952, a program was decided on for surveying and planning a land and water development scheme in one wadi in the South Tihama area which would be a pilot to serve as a guide for future development. Wadi Jizan was selected. The decision to initiate a small, pilot schime resulted from the conclusion that there was insufficient information on rainfall and underground water to risk expenditures on a large development project. The information on rainfall and underground water which had been collected from the study of vegetation, run-off area, and geology of the area justified the development of a small project. Agreements were signed between the Saudi Arabian Government and the FAO to carry out the survey and planning of the project, and to establish agricultural training and assistance in the Jizan area. At the same time, it was agreed that rainfall, runoff, and underground water studies of the entire South Tihama area would be continued in order to accumulate information for the future development of the entire basin.

In November and December of 1952, agreements for development projects were signed by the U.S. T.C.A. and the Saudi Arabian Government, whereby the U.S. Government kindly offered technical and financial assistance to the Saudi Arabian Government to execute these projects. Among others, the projects included the wadi Itwad community development project in the South Tihama Asir Area, and an aerial survey project.

While the agreements with FAO and the U.S. Point Four designate the development of specific projects, both organizations have advised the government of the necessity of supplementary development in order to make possible the development of the project themselves. For the development of the Itwad and Jizan projects, FAO and the TCA have advised the government that the road from Jeddah to Jizan should be

improved. They have advised that the Jizan harbor should be improved to handle the increase of import and export of goods to other ports in Saudi Arabia and to foreign ports which will result from development of Itwad, Jizan, and other of the wadies in the South Tihama basin.

The Saudi Arabian Government recognizes the needs of development of transportation facilities as a necessary part of agricultural development. The Government is anxious to do its utmost in initiating a program of development of these transportation facilities, utilizing the technical assistance that is being so generously provided by the United States Government and the Food and Agriculture Organization of the United Nations. The Government is most appreciative of the willingness of the U.S. T.C.A. to offer to help solve the problem of improving the transportation facilities to Jizan by using $150,000 of its Itwad project funds for purchase of road machinery as of the cost G 50% share to improve the road to Jizan. The Government also appreciates the willingness of the U.S. T.C.A. to use this road equipment on subsidiary roads in the South Tihama area.

The problem of development of the Jizan harbor remains to be solved. A few preliminary surveys of a reconnaissance nature have been made by the Baker engineers and by the FAO engineers, although the harbor is outside the field of responsibility of FAO. These surveys show that some simple improvements of the harbor could be made by construction of a small pier or jetty at a rather low cost. Such simple improvements could serve the immediate needs, but are believed to be insufficient needs which would arise from large scale development of the South Tihama area.

It is therefore requested that the United States Government consider a cooperative project of development of the Jizan harbor in two stages:
(1) survey, planning, and construction of a small pier or jetty;
(2) survey and planning for future development of the Jizan harbor to proceed with the economic development of the South Tihama basin in order to meet the needs of the basin as development progresses. As the execution of phase one of this development program is urgent, it is requested that consideration be given to the undertaking of this project as rapidly as possible. For your information, we are enclosing a copy of the cost estimate and information on possibilities of construction materials near Jizan City, which was prepared through the courtecusies of the FAO Mission.

It has been necessary to make aerial photographs and aerial maps of the South Tihama Asir area for the purpose of geological research and to provide basic data for land and water development. In the projects agreement for aerial survey which was signed between the Saudi Arabian Government and the U.S. T.C.A., such aerial surveying was to be done as a cooperative program with a 50-50 share in the expenses. It has been necessary to do some aerial surveying in the

Jizan area, both in Wadi Jizan and outside the Wadi, in connection with some work being done for the Saudi Arabian Government by the FAO Mission. It is believed that the aerial photographs and aerial maps will be valuable guides to both the U.S. G.S. of the T.C.A. and to the FAO. In the view of the projects agreement for aerial surveying which exists between the Saudi Arabian Government and the U.S. T.C.A., it is believed that this aerial survey should be of the cooperative project. It is, therefore, requested that consideration be given by the United States Government to making this aerial survey a part of the cooperative aerial survey project of the signed agreement. The outline of the work and cost estimate made by the Aero Service Corporation is contained in the attached letter from the FAO Mission.

Assistant Deputy Minister of Finance

Agreements.

File 1 —
File 2
Chron.
TCA/W
Mr. Ferguson

TECHNICAL COOPERATION ADMINISTRATION
Jidda, Saudi Arabia

April 18, 1953

MEMORANDUM

TO: Mr. John A. Dunaway, Acting U.S. Director of Technical Cooperation in Saudi Arabia

FROM: G. W. Ferguson, Chief, Health and Sanitation Division

SUBJECT: Staff Meeting to discuss Program and Project Agreements

I respectfully request that a staff meeting of the Chiefs of each Division be called to discuss the procedure of drawing up program and project agreements.

cc: Mr. Betzig

GWF erguson:o

File 2
Comments on
Agreement

TECHNICAL COOPERATION ADMINISTRATION
Jidda, Saudi Arabia

April 6, 1953

MEMORANDUM

TO: Mr. John A. Dunaway, Acting U. S. Director of Technical Cooperation in Saudi Arabia

FROM: Mr. G. W. Ferguson, Chief, Health and Sanitation Division

SUBJECT: Use of Program Agreements as Obligating Documents - February 20, 1953

The following are questions which came to me when I read the above-mentioned document:

1. How can we write a program agreement or yearly supplement obligating funds without knowing what our budget will be?

2. In view of the fact that the Ambassador signs all project agreements, can we use alternate 7.34 which allows signing of project agreements without signing program agreements which obligate funds?

TCA:GWFerguson:o

cc: Mr. Betzig

Agreements
Comments.

TECHNICAL COOPERATION ADMINISTRATION
Jidda, Saudi Arabia

April 4, 1953

OFFICIAL - INFORMAL
RESTRICTED

Dear Walter:

I am inclosing original draft of Dr. Brown's recommendations on expanded water development program which the Crown Prince urgently desires. There is very little to add to our telegram of April 4th, except to repeat the urgency of the situation.

While Dr. Brown did say in his letter to the Deputy Minister that U.S. Government participation is dependent on Washington's approval, the Ambassador very rightly was of the opinion that it would be inadvisable to mention the matter of employment of additional technicians and an increase in expenditure until and unless we receive the green light from Washington to discuss the proposition.

I mentioned in the telegram of the fourth the growing impatience of SAG on the slowness and lack of tangible results of the programs in education, public health and agriculture. I shall not take your time to give the reasons for this lag, but sufficient to say here, SAG officials understood that just as soon as the agreements were signed things would begin to happen.

On top of this, every time an expanded program in Jordan, Lebanon or other Middle East countries is mentioned, such as the ten million dollar project in Egypt, SAG officials show immediate resentment and feel badly treated.

This expanded water program seems to me to be admirable from every standpoint. It would have the very desirable result of directing a considerable sum of SAG revenue into productive channels.

In arriving at the estimate of the additional sum required, Mr. Bode and Glen Brown have recast the budget for the Natural Resources Division taking advantage of some savings such as the $120,000 for aerial photography.

Mr. Walter O. Olson,
Acting Assistant Administrator, NEADS,
Technical Cooperation Administration,
Department of State,
Washington 25, D. C.

The $350,000 is estimated on the basis of SAG housing the additional technicians, contrary to the terms of the agreement now in force. SAG may not agree to this but I am sure there will be some considerable savings in FY 1954 due to slowness in recruitment. In fact, the worst bottleneck in the program may be men rather than money if the recruitment of other technicians is any criterion.

I hope speedy action can be taken on this proposal as it is of utmost importance that we have a decision as soon as possible.

Very truly yours,

John A. Dumaway
Acting U. S. Director of
Technical Cooperation in
Saudi Arabia

JADumaway:o

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On Feb 17 Ministry of Finance outlined to Brown plan of Crown Prince for expanded countrywide water development and requested advice on procedure and costs. Objectives stock water to reduce Bedouin migration and agricultural irrigation. Requested Brown to consult ARAMCO to correlate with its program, International Engineers on costs. CP also discussed plan with Hare. Brown has prepared recommendations including completion aerial photography, drilling rigs and other equipment bringing the SAG cost to approximately three million dollars yearly. Program requires expansion of technical staff geologists, chemists, engineers. SAG naturally looks to TCA for expanded technical aid. If SAG employed additional technicians would be difficult to coordinate with present TCA geologic effort. Brown estimates that with present staff as nucleus he could handle technical side by additional expenditure next fiscal year $350,000. Hare endorses TCA participation but advises not to mention possibility of additional expenditure to SAG except on Washington clearance. Dunaway concurs and urgently requests consultation Johnston USGS and for authority to discuss project agreement with SAG on this basis. Water is key element in economic development. SAG intensely interested and seems willing spend five times as much as technical aid cost. Program fits general purposes of TCA and no other activity calculated to produce such large and immediate benefits. Participation would foster better relations

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with USA and reduce growing impatience with slowness and lack of tangible results of other efforts. Urge soonest favorable consideration even if it involves reduction other programs.

HARE

JADumaway:o

File

Comments on Agreement

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

TECHNICAL COOPERATION ADMINISTRATION
American Embassy
Jidda

April 4, 1953.

MEMORANDUM

MEMORANDUM TO: Mr. John A. Dunaway, Acting U. S. Director of Technical Cooperation in Saudi Arabia

FROM: Mr. Gerald W. Ferguson, Chief, Health Division G.W.F.

RE: Conference with Dr. Khashukji, Secretary General, Ministry of Health.

On April 2, Dr. Mohammed Khashukji, Mr. Sadek Husseini, Mr. John Dunaway, Mr. Brinck, and the writer had a conference in the Country Director's office concerning the status of the Public Health Division. This was an impromptu meeting, and no one except Dr. Khashukji knew anything about the subject discussed until he unexpectedly arrived at the office.

Dr. Khashukji stated that he was acting as a messenger for the Minister of Health. He stated that the Minister of Health was extremely sorry that he had troubled Point 4 by requesting assistance for the Ministry of Health. Four months had elapsed since the signing of the Health Program Agreement and the Minister had not seen any tangible evidence of TCA assistance in Health. Therefore, he concluded that TCA could not or would not assist the Ministry in carrying out projects which it deemed important. In view of this fact, he was asking TCA to withdraw the Health Division.

Mr. Dunaway then reviewed the various projects under consideration by TCA - namely:

1. Installation of disinfecting equipment in the new Quarantine Station.

2. Assignment of public health nurse to the Ministry to organize and supervise nursing activities in a maternal and child health clinic in Jidda.

3. TCA

3. TCA was waiting for the Ministry to submit plans for the establishment of a laboratory for the manufacture of vaccines, so that these plans could be studied and decision reached as to whether TCA could assist in this project.

4. Mr. Brinck was introduced to Dr. Khashukji, and it was explained that he was a new arrival in the Health Division and had come because he, Khashukji, had expressed considerable interest in a project for the construction of sanitary facilities (latrines) in various places considered necessary.

Dr. Khashukji listed these projects and said that he would return to the Minister and explain our attitude on each project, and ask the Minister if he desired a meeting with Mr. Dunaway to discuss this entire subject.

It was then that Dr. Khashukji said that Dr. Shousha, Regional Director, World Health Organization at Alexandria, had visited Arabia and had had several meetings with the Minister of Health. During these meetings, he, Shousha, had expressed the opinion that TCA Health Division would not help the Ministry of Health in any projects it deemed necessary, and that TCA would only pass papers back and forth. He left the impression with all of us that the Minister's decision to ask TCA to withdraw the Health Division was greatly influenced by Dr. Shousha's opinion.

Dr. Khashukji and Mr. Husseini left and immediately went to the home of the Minister of Health.

As a result, at the present time we do not know whether the Health Division will continue in Saudi Arabia or not.

File 2

RESTRICTED

PRIORITY

SecState

April 2, 1953

RESTRICTED

TOTEC.

SAG through Secretary General of Ministry of Health informally asked TCA to withdraw Health Division because they believe TCA unwilling to consider satisfactorily projects proposed by them. After a discussion of status of proposed projects Secretary General agreed to ask Minister of Health to reconsider. If immediate approval received on projects as submitted for quarantine station and Maternal and Child Health Clinic, Minister of Health may reconsider decision.

HARE

JADunaway
TCA:GWFergusonto

RESTRICTED

File Correspondence on agreement

الجامعة الأميركية في بيروت

AMERICAN UNIVERSITY OF BEIRUT
BEIRUT, LEBANON

ECONOMIC RESEARCH INSTITUTE

CABLE ADDRESS: AMUNOB, BEIRUT

March 24, 1953

Mr. John A. Dunaway, Acting Director
Technical Cooperation Administration
c/o American Embassy
Jidda, Saudi Arabia

Dear Mr. Dunaway,

Thank you for your letter of March 11th, in which you inform me that you have kindly referred our request for TCA agreements with Saudi Arabia to the Washington TCA Office. If we do not hear from Washington directly, I would appreciate it if you will let me know Washington's decision when you learn of it.

It may interest you to know that our Economic Research Institute is collecting economic data on the whole Middle East. By the end of this year we hope to have a substantial and useful collection. If we can be of service to you in providing information on economic problems of Middle Eastern countries other than Saudi Arabia, we shall appreciate it if you will feel free to call upon us.

Very truly yours,

A. Y. Badre
Director

AYB/ah

File 1 Correspondence on Agreements

TECHNICAL COOPERATION ADMINISTRATION
Jidda, Saudi Arabia

March 11, 1953.

Mr. A. Y. Badre, Director
Economic Research Institute
American University of Beirut
through the kindness of
Mr. D. Price
Technical Cooperation Service
c/o American Embassy
Beirut, Lebanon

Dear Mr. Badre:

I have your letter of March 2 requesting copies of TCA agreements with Saudi Arabia for purpose of analysis.

I regret to say that we have only our file copies of the several agreements. It seems probable that our TCA/Washington office has made mimeographed copies of these documents, and I am therefore referring your letter to Washington for attention.

Very truly yours,

John A. Dunaway
Acting U. S. Director of
Technical Cooperation in
Saudi Arabia

cc: TCA/Washington

Letter 5
3/7/53

Interpretation of Natural Resources Agreement: I am inclosing copy of another memo to Sadek Husseini on the interpretation of the Natural Resources Agreement. It seems that the Secretary to the Deputy Minister who drafted the letter to which my letter of February 28 was in answer claims he did not intend to open the question so broadly as the original letter implied; he was therefore afraid to show the Deputy Minister my letter of the 28th and requested a simpler statement. I told Sadek Husseini to advise the Secretary not to write letters to TCA unless he was willing to receive complete answers to all their implications; I told Sadek Husseini that I could not withdraw my letter of February 28 as I had submitted copies to the Ambassador and TCA/W, but that I would write a shorter and simpler memo for such use as he cared to make of it. The memo of March 5 is the result.

Equivalents
Comments

File 2 Commitments Under Agreements

TECHNICAL COOPERATION ADMINISTRATION
Jidda, Saudi Arabia

MEMORANDUM March 5, 1953.

TO: Mr. Sadek Husseini, Director
Liaison Office for Technical Assistance

FROM: Mr. John A. Dunaway, Acting U. S. Director of
Technical Cooperation in Saudi Arabia

RE: Interpretation Agreement on Natural Resources

Will you please inform His Excellency the Deputy Minister of Finance that we understand the obligations of the United States under paragraph (c) Article III of the above-named Agreement to include only such scientific equipment, material, and supplies as may be necessary for TCA technicians to carry out the objectives of the Agreement as given in Article II. In general these objectives include an extensive scientific survey of natural resources and do not include exploitation of such resources.

In answer to the second question - what TCA is contributing to the program - please inform His Excellency that TCA is carrying out all the financial commitments enumerated in Article III, namely, supplying the technicians, paying salaries, travel expenses to and from the United States, field allowances, housing and vehicles for land transport; necessary scientific apparatus and field equipment; the part of the cost of the aerial survey provided for in the Agreement; and recording gages on wells and wadis. In addition, TCA has ordered radio telephone equipment to a value of some $20,000 to be used principally, but not exclusively, in the well drilling program. While no persons have as yet been sent to the United States for specialized training as provided for in paragraph (b), we stand ready to do this when suitable candidates are found.

In short, we believe that TCA is carrying out its financial obligations in full under the terms of the Agreement.

John A. Dunaway
Acting U. S. Director of
Technical Cooperation in
Saudi Arabia

File 2

TECHNICAL COOPERATION ADMINISTRATION

Jidda, Saudi Arabia February 20, 1953.

Mr. Sadek Hussaini
Director, Liaison Office
for Technical Assistance
Kingdom of Saudi Arabia
Jidda, Saudi Arabia

Sir:

I have read with considerable interest an undated letter from His Excellency, the Deputy Minister of Finance, requesting you to consult me in regard to the attitude of the Technical Cooperation Administration towards Article III paragraph c of the Agreement between the Governments of the United States and Saudi Arabia for Technical Cooperation Program in Natural Resources. His Excellency's letter likewise refers to an order for spare parts and other equipment for well drilling and requests you to find out what the USA has contributed toward the cost of the program.

Paragraph c is one of five paragraphs which collectively outline the obligation which the USA has assumed toward effectuating the general purposes of the Agreement on Natural Resources. The purposes and objectives of the Agreement are contained in Article II, paragraphs 1 to 5 inclusive. The obligation mentioned in paragraph c must therefore be considered in the light of the purposes and objectives of the Agreement which in general are to carry out an extensive survey of the water and mineral resources of Saudi Arabia and to prepare maps, charts, and reports as the basis for more efficient and productive use of these resources. The program is thus one of scientific investigation and not one of exploitation. When TCA agrees to furnish field and office equipment, scientific instruments and materials necessary for the effectiveness of the experts' work, we do not understand it to mean or even imply that such equipment will include spare parts for well drilling machinery, well casings, fire extinguishers, sleeping bags for drilling crews, spare parts for heavy duty trucks or, in fact, any of the equipment or supplies mentioned in Mr. Lannon's letter of January 11, 1953.

All

All this equipment and supplies are for the well drilling operations and are not included in the scientific and other equipment required by the U. S. technicians in carrying out their duties in surveying the natural resources of Saudi Arabia. It should also be noted that the USA agrees to furnish this equipment to the extent to be subsequently agreed upon but, as far as I am aware, the USA has furnished all the equipment necessary for the technicians and has not fixed any limitation on the same.

I note further His Excellency's references to the stipulation in Article IV that the Government of Saudi Arabia will contribute a fair share of the cost of this program to be mutually agreed upon in subsequent project agreements to be entered into by the two Governments.

The term "fair share" is not defined in the Agreement on Natural Resources, but the Congress of the United States of America has on numerous occasions indicated that as a matter of principle it should not be less than 50%. There are circumstances which in certain cases justify the departure from this principle, as for instance in this Agreement. Without elaborating on this point or presenting cost data, it is obvious from a casual reference to the obligations of the two governments as provided for in this Agreement that the financial obligation which the Saudi Arabian Government assumes is considerably less than that of the USA. I cite this merely to keep the record straight and not to suggest that any changes should be made in the terms of the agreement. However, it should be noted that if and when additional projects are undertaken, the obligations of each Government are to be arrived at by mutual agreement.

As to His Excellency's question as to what financial contributions the USA has made in connection with this Agreement, His Excellency should be informed that all the financial obligations enumerated in Article III have either been fulfilled or will be as circumstances permit. In addition, TCA has ordered radio telephone equipment to a value of some $20,000 which will be used principally, though not exclusively, in the well drilling program.

I understand from Dr. Brown that His Excellency, the Deputy Minister of Finance, has indicated the desire of the Government to enlarge the water development program which, if I understand the matter properly, would entail the enlargement of the staff and increasing other financial obligations of TCA. In keeping with the spirit and purposes of TCA we hope that it will be possible to undertake this expanded program, but it should be noted that this depends on the availability of funds. I would therefore suggest the advisability of an early submission by the SAG of an official request covering this expanded program in order that it may receive proper consideration on the part of TCA.

Very truly yours,

John A. Dunaway
Acting U. S. Director of
Technical Cooperation in
Saudi Arabia

Draft Agreement
Comments

XXXXXXXX
4139/809

SAUDI ARABIAN KINGDOM
Ministry of Health
MECCA.

17th February, 1953.

U.S. Director of Technical Cooperation
in Saudi Arabia,
American Embassy,
Jeddah.

Greetings,

With reference to your Letters Nos. 2/19/683 of 11/5/72 and 2/19/743 of 29/5/72 regarding the approval for the coming of Dr. Bevis, one of your top ranking expert in laboratory for the preparation of Sera.

The Ministry of Health considers that the coming of this expert at the present time is before time, but has no objection for his coming at the time you deem it necessary in condition that all his expenses will be incurred by you.

Yours Sincerely,

/s/ Dr. Khashukgi

SECRETARY GENERAL.

AG

Fegguson has original.

Comments on requests

Kingdom of Saudi Arabia
March 2, 1953

Mr. John A. Dunaway
Acting Director of Technical
Cooperation in Saudi Arabia
Jidda

Dear Mr. Dunaway:

The Deputy Minister of Finance, in his letter No. 15258 of February 28, 1953, has instructed Bakers to do the necessary repair to the Jizan road as recommended by Mr. Zahid.

I shall be glad if the necessary steps from this end are taken to start the job before the hot summer season starts.

Thank you for your cooperation.

Very truly yours,

Sadek Husseini
Director, Liaison Office for
Technical Assistance

Background
Agreements

DEPARTMENT OF STATE
WASHINGTON

UNCLASSIFIED

FOREIGN SERVICE
POINT 4
CIRCULAR NO. 32
FEBRUARY 20, 1953

AIR MAIL URGENT

SUBJECT: Use of Program Agreements as Obligating Documents

1. Purpose

This circular explains the stage which must be reached in program planning before a fund-obligating agreement may be signed.

2. Reference

Reference is made to Point 4 Circular 24 of October 2, 1952, which discusses the various types of agreement used in administering Point 4 country programs. These are (a) the Point 4 general agreement, (b) one or more program agreements, and (c) a series of project agreements under each program agreement. Standard forms of the various types of program agreements are attached to that circular.

3. Standard Form of Program Agreement an Obligating Document

The standard forms of program agreement for a Joint Fund and for a Cooperative Service each contain a provision (Article VI, paragraph 2) which contractually obligates the United States to contribute a stated sum of money to the particular cooperative program for one fiscal year, and each annual supplement to a program agreement is intended to be a contractual obligation of the United States to contribute an additional stated sum of money to the cooperative program for that fiscal year. Similar obligations are assumed by the host government.

4. TCA Policy to Obligate Funds by Program Agreements

It is the policy of TCA to move as rapidly as local conditions permit in the direction of making each program agreement a document which obligates both the United States and the host government to contribute a specified sum of money to the program, and which establishes an administrative mechanism for the joint administration of the program. In order to elicit maximum contributions from the host government and in order to establish the principle of jointness in Point 4 operations, a firm obligation on the part of both governments is ordinarily necessary. Therefore, it is in the interest of the United States to make as firm a commitment of funds as is consistent with sound program management.

5. Most Existing Program Agreements Obligating Documents

Most of the existing program agreements are obligating documents. The principal exceptions are in Iran, India, and Pakistan, where specific problems that required special arrangements were encountered. As annual supplements to existing program agreements are negotiated, and as new

program agreements are negotiated, it is intended that, where the conditions stated below are satisfied, they also will be made obligating documents.

6. Necessity for Program Agreements Obligating United States Funds to be Based on Firm Project Plans

Although it is in the interest of the United States to make a firm commitment of its funds for each country program in order to obtain a comparable commitment from the host government and in order to strengthen the principle of jointness in Point 4 operations, the United States is also faced with another interest. That is, it is also in the interest of the United States to obligate its funds only to the extent that there is a real prospect of prompt accomplishment through the expenditure of those funds.

It is ordinarily not advisable to tie up United States funds for a program which is in such an amorphous state of planning that specific projects cannot be started until a distant date. Consequently, it is important that as a general rule each program agreement and each annual supplement thereto obligate no more money than is needed to finance projects that can actually be started within a reasonably short time. In effect, this means that each annual program for which funds are obligated, must be based upon specific projects covering the entire sum programmed, and the projects must be ones on which a firm agreement has been reached with the host government and on which planning has proceeded to the point that the project agreements can be signed and the physical process of implementing the projects can be started soon after the program agreement is signed. In the fiscal year 1952, some programs were based upon illustrative projects rather than upon projects discussed and agreed with the host government. That procedure was justified because of the newness of the program in the country and the lack of time to complete the planning process. For future years, that procedure will not be approved.

Hereafter, as each annual work plan is prepared, it is expected that the representatives of the two governments will agree on the specific activities to be undertaken that year (without necessarily working out the details in a form sufficient to embody in separate project agreements) and on the financial contribution each government will make to the program. It should then be possible to complete detailed planning for individual projects, ~~sign the projects~~, sign the project agreements, and initiate project operations within a reasonably short time after the program agreement (or annual supplement to the program agreement) has been signed.

7. Rules Governing Obligation of Program Funds

7.1 TCA receives allocations of Point 4 funds from the Director for Mutual Security. The Director for Mutual Security has established some general ground rules to govern the obligation of program funds for the fiscal year 1953 and future years. Those rules will be applied as explained in sections 7.2 through 7.8.

7.2 A program agreement obligating the United States to contribute a stated sum of money to a program must be backed up at the time it is signed by specific projects, covering the entire sum obligated, on which general agreement has been reached with the host government and which are reasonably expected to be initiated within a short time (for example, 90 days). This does not mean that project agreements containing all the details of each project must be ready for execution at the time the program agreement is signed. However, it does mean that there must be a reasonable expectation that project agreements for all projects included in the program will be signed and that the projects will actually be started within a short time after the signing of the program agreement.

7.21 The initiation of a project after the project agreement is signed may take a variety of forms, such as requesting the recruitment of technical personnel, requesting the procurement of materials or supplies, or requesting the execution of contracts for the services of architects, survey teams, etc. In short, a project may be regarded as initiated when the project agreement containing a firm and specific plan of action is signed <u>and</u> the first step is taken to commence the operation contemplated by the agreement. For example, an agricultural extension project may be regarded as initiated by a field request to TCA Washington to recruit technicians; a tubewell project may be regarded as initiated by a request to TCA Washington to negotiate, or by commencing negotiations for, a construction contract.

7.22 The expectation that a project can be initiated within a short time should ordinarily be understood to mean approximately 90 days after the program agreement is signed. However, the figure 90 days is an illustrative figure and, under some circumstances, a slightly longer time might be regarded as short.

7.3 If only a part of the sum budgeted for a particular program is backed up by specific projects that can be included in a project agreement and initiated within a short time, the alternatives listed below are available. The only desirable procedure, however, is to be timely with program and project planning.

7.31 The program agreement may obligate the portion of the proposed United States contribution that is backed up by specific projects at that time, and a supplemental agreement can be executed later in the year when an agreement has been reached with the host government regarding the remainder of the projects. Of course, this procedure involves two negotiations with the host government, which may be undesirable. This procedure may also be used where, for any reason, it is desirable to withhold from the sum budgeted for a particular program a reserve to be committed to specific projects later in the fiscal year.

7.32 If most of the proposed United States contribution is backed up by specific projects that can be started within a reasonable time,

and only a small part of the funds is not supported by projects of this kind, TCA Washington may ask the Director for Mutual Security, before negotiations have committed the United States either legally or morally to a definite position, to approve the execution of an obligating document for the entire amount. This procedure may be followed only in exceptional circumstances, such as where it may mean the difference between obtaining or failing to obtain a recognition of the principle of jointness through the establishment of an administrative agency subject to joint control. In the ordinary case, the entire sum mentioned in the program agreement must have adequate backing.

7.33 The program agreement may be changed from an obligating to a non-obligating document, which does not obligate the United States to contribute any specific sum of money but which merely states that the United States is prepared to contribute "up to" a specified sum of money for projects that may be agreed with the host government during the fiscal year. In such case, the host government may agree to contribute an amount of local currency proportionate to the amount actually contributed by the United States, or it may similarly agree to contribute "up to" a certain amount for agreed projects. If such a form is used, it is essential that the host government be made to understand that the United States funds are not definitely committed until they are obligated in later program or project agreements and that, even before the end of the fiscal year, such funds might have to be diverted for other purposes, although every effort would be made to avoid such diversion. Since there will inevitably be a tendency on the part of the host government to consider that a moral commitment has been made, no matter how emphatically the tentative character of the sum specified is made clear, this type of agreement should be used only in exceptional cases. An additional drawback is that the host government cannot be expected to make a firm commitment if the United States does not.

7.34 The signing of the program agreement can be postponed until the planning is farther advanced, and, in the meantime, separate project agreements can be signed obligating only the funds needed for those projects. This alternative is undesirable because such project agreements, when not subordinate to program agreements approved at the diplomatic level, need themselves to be approved at that level, in most countries, and it is undesirable to have to clear a number of separate project agreements, some very small, through both the Foreign Office and the operating ministry.

7.4 Each program submitted to TCA Washington should state affirmatively that all, or only a specific part, of the amount programmed is supported by specific projects which are reasonably expected to be included in project agreements and initiated within a short time (for example, 90 days) after the execution of the program agreement.

If the exception specified in section 7.32 is to be invoked, a full justification should also be submitted. In all countries where program agreements or annual supplements have not been signed for the fiscal year 1953 by the time this circular is received, TCA Washington should be informed immediately by telegram whether all, or only a specified part, of the approved program funds for the country are supported by specific projects that can be embodied in project agreements and initiated within a short time after the program agreement is executed, and whether the exception is to be invoked.

7.5 Funds obligated by program agreements will not include:

a. Salaries, expenses, or administrative costs of program direction. These are items of cost controlled solely by the United States and are not subject to obligation by bilateral agreement.

b. Salaries, expenses, or administrative costs of United States technicians. These costs will be obligated by individual personnel actions, etc.

c. Training funds. These funds will be obligated on the basis of individual awards. Until individual technicians and trainees are selected, there is ordinarily no way of determining, with any degree of accuracy, the probable number of eligible and qualified persons. Although program agreements may not obligate funds for these purposes, the funds may, of course, be budgeted; and the host government informed of the amount. Article VIII, paragraph 3 of the standard form of agreement for a Joint Fund, provides that the selection of trainees shall be determined jointly by representatives of the two governments.

7.6 In connection with any publicity given to United States aid under a program agreement, due attention should be given not only to the sums of money obligated in the program agreement, but also to the sums of money programmed but not obligated for program direction, technicians, and training, as provided in section 7.5, and for a reserve, as provided in section 7.31.

7.7 The execution of a program agreement will not preclude later adjustments between, or substitution of, projects within the financial limitations permitted by current instructions, and within the total amount obligated in the program agreement.

7.8 The general provisions of the foregoing rules do not supersede or modify any specific requirements imposed by the Director for Mutual Security when approving particular 1953 country programs.

8. <u>Program Agreements and Other Obligating Documents to be Executed Only with the Prior Authorization of TCA Washington</u>

Point 4 Circular 24, section 7.1, provides that program agreements and other obligating agreements may be signed only after specific authorization from the Department to the Ambassador.

DISTRIBUTION:

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TCA, Jidde.

4138/808

SAUDI ARABAIN KINGDOM
Ministry of Health
MECCA.

17th February, 1953.

U.S. Director of Technical Cooperation
in Saudi Arabia,
American Embassy,
Jeddah.

Greetings,

With reference to your letters Nos. 2/19/684 of 11/5/72 and 2/19/691 of 12/5/72 concerning the establishment of a laboratory for sera and vaccines at Taif.

The Ministry of Health agrees preliminarily with the contents of the draft agreement for the establishment of a laboratory for sera and vaccines and started to enforce it by the agreement with Dr. Mahmud Awad, Director of the laboratories for sera and vaccines in Egypt to work in this country. Actually he arrived and went to Taif to select the suitable land to erect the building on it and then departed to Egypt to prepare the sketch plans and statements of the equipment required for it.

As soon as the drawings and statements are completed by the said doctor, I will communicate with you to discuss it and start the work immediately.

Yours Sincerely,

/s/ Dr. Khashukji
SECRETARY GENERAL

AG
Ferguson has
Original of this letter.

4141/811

11/2/53

Mr. John Dunaway, Director
T.C.A. Mission
Jeddah, Saudi Arabia.

Dear Sir,

The Saudi-Arabian Government has undertaken the obligation of constructing and operating in Jeddah a quarantine station for the pilgrims.
The construction of the buildings is practically completed.
Attention is now being directed toward equipping them for proper operation.
The Saudi Arabian government requests the aid of the Technical Cooperation Administration in designing, purchasing, and furnishing the installation of necessary physical and chemical Sterilisation equipment. This would consist of four large steam Autoclaves, two boilers and necessary accessories, and a formalin Sterilisation unit.
We are requesting TCA assistance in this project because, it is important that this work be completed as soon as possible in order to guard the health of the pilgrims.
Immediate consideration of this project by T.C.A. would be greatly appreciated.

Very truly yours,

/s/ Abdullah al Faisal
Minister of Health

Ferguson has original of this letter.

4139/809

SAUDI ARABIAN KINGDOM
Ministry of Health
MECCA

17th February, 1953.

U.S. Director of Technical Cooperation
in Saudi Arabia,
American Embassy,
Jeddah.

Greetings,

With reference to your Letters Nos. 2/19/683 of 11/5/72 and 2/19/743 of 29/5/72 regarding the approval for the coming of Dr. Bevis, one of your top ranking expert in laboratory for the preparation of Sera.

The Ministry of Health considers that the coming of this expert at the present time is before time, but has no objection for his coming at the time you deem necessary in condition that all his expenses will be incurred by you.

Yours Sincerely,

/s/ Dr. Khashukji
SECRETARY GENERAL

AG

Ferguson has original of this letter

4140/810

Government of Saudi Arabia,
Ministry of Health,
MECCA

Dated 17th February, 1953.

U. S. Director of Technical Cooperation
In Saudi Arabia,
American Embassy,
Jeddah.

Greetings,

The three Saudi doctors whose names are appended hereunder have completed the course of training in the Egyptian Hospitals.

It is much appreciated if urgent and necessary action could be done for their departure for America for studying, training and specialization.

1. Dr. Mohammad Tahir Sasi
2. Dr. Sultan Zamzami
3. Dr. Mohammad Amin Yoldash

Yours Sincerely,

/s/ Dr. Khashukji
SECRETARY GENERAL

Ferguson has original of this letter

4142/812

2

SAUDI ARABIN KINGDOM
Ministry of Health
MECCA.

17th February, 1953.

U.S. Director of Technical Cooperation,
in Saudi Arabia
American Embassy,
Jeddah.

Greetings,

With reference to the conversation carried out between you and the Quarantine Expert Dr. Sabri Al Far for the supply of the new Pilgrim Quarantine Station at Jeddah with its needs of disinfectors.

We appreciate your kind help and cooperation and enclose herewith a letter signed by H.R.H. the Minister of Health of the needs of the Quarantine Station from disinfectors and hope to bring it as soon as possible in order to use it this season as the opening of the new Quarantine Station in Jeddah is on doors.

Yours Sincerely,

/s/ Dr. Khashujki
SECRETARY GENERAL

Ferguson has original of this letter.

February 10, 1953

Mr. John A. Dunaway
Acting U. S. Director
of TCA in Saudi Arabia
Jidda

Dear Mr. Dunaway:

Enclosed please find translation of Letter No. 14142, 23/5/72, from His Excellency, the Deputy Minister of Finance approving the Gizan Road plans as proposed by you.

Sincerely yours,

Sadek Husseini
Director, Liaison Office for
Technical Assistance

No. 14142
23/5/72

The Honoured Director
Liaison Office for Technical Assistance

Greetings-

With reference to your letter No. 2/28/702 dated 5/15/72, concerning the proposal of the Acting U. S. Director of TCA about the amounts of money which the Mission shall assign for the reparation of Gizan Road - we inform you that after exposing the case to His Excellency, my master the Minister of Finance on 19/5/72 under the number 13967, His Excellency issued his order by a cable numbered 3546 on 21/5/72, approving Mr. Dunaway's proposal.

Authorizing that, we are informing you to take the necessary measures.

Sincerely yours,

Deputy Finance Minister
23/5/72

Jele TCA.

UNCLASSIFIED

AMEMBASSY, Jidda, Saudi Arabia 230 February 2, 1953

Air Pouch

ATTENTION: Treaty Division,
Office of Legal Affairs.

AGREEMENT FOR THE TECHNICAL COOPERATION PROGRAM IN EDUCATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE KINGDOM OF SAUDI ARABIA

There is transmitted herewith the signed English and Arabic texts of the AGREEMENT FOR THE TECHNICAL COOPERATION PROGRAM IN EDUCATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE KINGDOM OF SAUDI ARABIA, signed at the Ministry of the Interior on January 25, 1953.

The Arabic notation which will be found on the final page of the English text reads as follows: "The Director General of Education approves the contents thereof. Mohammed Bin Man'a."

Raymond A. Hare

Enclosures:

As stated.

JSOlenik:jec

UNCLASSIFIED

Correspondence

Jidda, Saudi Arabia

MEMORANDUM

January 31, 1953

TO: Sadek Bey Husseini
Director, Liaison Office
for Technical Assistance

FROM: John A. Dunaway

Re: File copies of Program Agreement in Education

We enclose for your files three copies of the English text of the "Agreement for the Technical Cooperation Program in Education between the Government of the United States of America and the Government of the Kingdom of Saudi Arabia.

Original signed texts in English and Arabic were forwarded to you with my letter of January 29, 1953.

John A. Dunaway
Acting U. S. Director of
Technical Cooperation in
Saudi Arabia

Enclosures (3)

Agreements
Correspond

Jidda, Saudi Arabia

January 31, 1953

Mr. W. Fred Johnson
Chief, FAO Mission
Jidda, Saudi Arabia

Dear Mr. Johnson:

We enclose one copy of the English text of the Agreement for the Technical Cooperation Program in Education between the Government of the United States of America and the Government of the Kingdom of Saudi Arabia.

This Agreement was signed on 25th January, 1953.

Very truly yours,

John A. Dunaway
Acting U. S. Director of
Technical Cooperation in
Saudi Arabia

Enclosure (1)

File 1

Jidda, Saudi Arabia

January 29, 1953.

Sadek Bey Husseini, Director
Liaison Office for Technical Assistance
Jidda, Saudi Arabia

Dear Mr. Husseini:

We are pleased to return to your office one copy each of the original signed Arabic and English copies of the "Agreement for the Technical Cooperation Program in Education Between the Government of the United States of America and the Government of the Kingdom of Saudi Arabia."

Please accept my sincere thanks for your cooperation during the negotiation of this Agreement.

Very truly yours,

John A. Dunaway
Acting U. S. Director of
Technical Cooperation in
Saudi Arabia

Enclosures (2)
JAD/1 1-29-53

cc: Mr. Ambassador Jidda
TCA/Washington

F-3

Comments on Agreements.

TECHNICAL COOPERATION ADMINISTRATION

TCA, Jidda, Saudi Arabia
January 31, 1953.

MEMORANDUM

MEMORANDUM TO: Sadek Bey Husseini, Director
Liaison Office for Technical Assistance

RE: Request for Translation and Transmittal of Letter to His Excellency, Deputy Minister of Finance re TCA contribution in community development.

It would be appreciated if you would arrange for the translation and transmittal of the attached letter to His Excellency, Deputy Minister of Finance.

John A. Dunaway
Acting U. S. Director of
Technical Cooperation in
Saudi Arabia

Jidda, Saudi Arabia

January 31, 1953.

His Excellency,
Deputy Minister of Finance,
Kingdom of Saudi Arabia,
J I D D A

Your Excellency:

With reference to our recent conversation in regard to the operations under the joint agreement for community development at El Darb, I am willing to propose for approval of the United States Government the following arrangement:

1. The Technical Cooperation Administration will purchase road building machinery and equipment to an extent of $150,000.00; this machinery and equipment to be used in constructing and maintaining the Gizzan Road; TCA will retain the right to control the operation of the machinery and equipment as we may need to use some of it on the irrigation and agricultural project at El Darb.

2. The Saudi Arabian Government will acquire any additional machinery necessary and will pay all other costs and expenses of labor, supervision, and supplies for building and maintaining the road.

If these suggestions meet Your Excellency's approval, I shall immediately telegraph Washington for confirmation. Since the road is a vital factor in the development of the whole Asir region, I hope that its construction will proceed with all possible speed.

I have the honor to be,

Your Excellency,

Very truly yours,

John A. Dunaway
Acting U. S. Director of
Technical Cooperation in
Saudi Arabia

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Intelligence Unit
Schlesinger Library on the History of Women in America
Are Essentially

Jidda, Saudi Arabia

January 31, 1953.

His Excellency,
Deputy Minister of Finance,
Kingdom of Saudi Arabia,
J I D D A

Your Excellency:

With reference to our recent conversation in regard to the operations under the joint agreement for community development at El Darb, I am willing to propose for approval of the United States Government the following arrangement:

1. The Technical Cooperation Administration will purchase road building machinery and equipment to an extent of $150,000.00; this machinery and equipment to be used in constructing and maintaining the Gizzan Road; TCA will retain title to the machinery and equipment and may use such as necessary on the irrigation project at El Darb.

2. The Saudi Arabian Government will acquire any additional machinery necessary and will pay all other costs and expenses of labor, supervision, and supplies for building and maintaining the road.

If these suggestions meet Your Excellency's approval, I shall immediately telegraph Washington for confirmation. Since the road is a vital factor in the development of the whole Asir region, I hope that its construction will proceed with all possible speed.

I have the honor to be,

Your Excellency,

Very truly yours,

John A. Dunaway
Acting U. S. Director of
Technical Cooperation in
Saudi Arabia

File 1 - Comments on Agreement

TECHNICAL COOPERATION ADMINISTRATION
Jidda, Saudi Arabia

TCA Jidda
January 28, 1953.

Sadek Bey Husseini, Director
Liaison Office for Technical Assistance
Jidda, Saudi Arabia

Dear Mr. Husseini:

I have purchased a large amount of commercial teaching equipment and instructional materials at the request of the citizens committee of Jidda to be used in the Commercial School at Jidda. I have tried without success to get the equipment released from customs.

This material and equipment is customs free under terms of our basic agreement. In my discussion of the matter with the Director General of Finance this morning he disclaimed any knowledge of our agreement and ruled that a copy of the agreement would have to be supplied him before he could take further action.

May I call upon your good offices to take such steps as are necessary to free this cargo. All other matters pertaining thereto have, as I understand, been cleared.

Sincerely,

Article III
Item 2
Direct agreement

Robert D. Dolley
Chief, Education Division

Comments on Agreements

WEEKLY LETTER EXCERPTS

FOR INFORMATION OF: Mr. Betzig

From Weekly Series Letter 32, dated January 16, recd in Jidda Jan. 28

"PROGRAM AND PROJECT AGREEMENTS:

"The following program and project agreements have been received:

"Natural Resources; Public Health; Agriculture; Aerial Survey; Railway Survey; Rural Community Development.

"It is noted that the program agreement for Natural Resources provides under personnel, "The specialists will be selected and appointed by the Government of the United States of America, through the United States Geological Survey, but will be acceptable to the Government of Saudi Arabia. No other program agreement provides for recruitment through Technical Agencies.

"This would appear to further weaken our Directional control over the Natural Resources Division. All Program Agreements require Departmental approval which was not asked for in this instance. It is suggested that the agreement be amended to eliminate "through the United States Geologic Survey", if you think this can be done without undue damage to the program."

المملكة العربية السعودية
وزارة المالية
مكتب وكيل الوزارة

الرقم ...
التاريخ .
الموافق .
المرفقات

Education

الموضوع :

Interim

Agreement

25th January 1953

9th Jamad ul Awal 1972

Mohammad Bin Man'a

File 2 - Agreement Commercial

January 18, 1953.

Mr. John A. Dunaway
Acting U. S. Director of
Technical Cooperation in
Saudi Arabia.

Dear Mr. Dunaway:

In compliance with your request and subsequent to my letter to you of the 14th, I have with the assistance of Mr. Betzig looked up all the available information about the Commercial School on file in our office. I am herewith attaching that brief resume of correspondence prepared by Mr. Betzig.

It will be noted that it is impossible to determine any exact amount that could be construed as budgeted for the project. It could be assumed that $35,000 for it was anticipated since Bowie asked for this amount. On the other hand, this Commercial School undertaking must be considered as a part of the Educational program of TCA in Saudi Arabia. Therefore, any expenditure on it must of necessity be in addition to or from the amount budgeted for the Education Division during the current fiscal year, which figure is to the best of my knowledge currently $67,000, as indicated on the breakdown of authorization No. 3470, plus a reasonable share in administrative and operational costs of TCA in the field. In addition, Mr. Fryer was quoted by Mr. Betzig as saying any reasonable amount in addition to budgeted funds could be made available for the adequate support of the Commercial School and Educational service.

It is my observation that more than adequate balances of the Educational budget are available for use in support of the Commercial School. Further, that this support is now needed in the way of additional teachers and that this school's success is contingent upon these being secured at once.

Although there is no project agreement aside from verbal understandings there is plenty of official action concerning the undertaking to warrant current urgent critical support now necessary to protect and insure the success of investments thus far made - at least until reasonable time of a few more weeks has elapsed in which a general educational agreement may be signed.

As soon as the general educational agreement has been signed, supporting project agreements will be presented to cover not only the Commercial School but all other transpired educational endeavor. In the interim I cannot overemphasize the absolute necessity of securing more teachers at this moment and providing some solution to the transportation problem as set forth in my letter to you of January 14.

Sincerely,

Robert D. Dolley, Chief
Education Division, TCA

Comments on agreements.

COPY

Arabic
In Pg Survey file

MEMORANDUM

January 17, 1953

TO: Mr. John A. Dunaway
Acting Director, TCA

FROM: Sadek Husseini
Director, Liaison Office
for Technical Assistance

RE: Exemptions from Custom Duties

Enclosed please find copy of authority for exemption of five Power Wagon Dodge Trucks and one Chevrolet Sedan as requested by Mr. Charles Buck, in accordance with Article III, Paragraph IV, of the Railway Survey Agreement.

TRANSLATION

4-28-1372

TO: Director of Customs in Jeddah,

on Request Liaison Technical Office

in his letter No. 2/18 dated 4/27/72. Accept clearing 5 Power Wagon Trucks which Mr. Buck (The representative of International Engineering Company) ordered from Arabian Trading Company and one Chevrolet Sedan which he ordered from Zahid Brothers Company. This is according to the Railroad Agreement Section No. 3 Unit 4 about the cars which Mr. Buck is going to use them in railroad reconnaissance and location of Jedda-Riyadh, and enter the duties in your account with the Treasury Department so that the Treasury can enter this account in its proper side.

Deputy of Finance

Copy to: Finance
Customs
Accounting Dept.
Treasury Dept.
Liaison Technical Office
Filing Department

File 1

UNITED STATES OF AMERICA
TECHNICAL COOPERATION ADMINISTRATION

Jidda, Saudi Arabia

MEMORANDUM

January 14, 1953.

TO: Dr. Robert D. Dolley, Chief, Education Division

FROM: Mr. John A. Dunaway, Acting U. S. Director of Technical Cooperation in Saudi Arabia

RE: Education Program Agreement

Re your memorandum of January 5, which reached me today, in regard to the Education Agreement, I suggest that you follow the matter up with the Liaison Officer and do whatever is necessary to be done to get this document approved.

If, however, it appears that the agreement should be rewritten, I would suggest that any arrangements for renegotiation should be made with the cooperation of the Acting Program Officer and the Acting Country Director. It will likewise probably need the approval of the Ambassador.

Ed. - 134 - D
January 5, 1953

Mr. John A. Dunaway
Director TCA Saudi Arabia

Dear Mr. Dunaway:

I have been advised unofficially that all agreements with the Saudi Arabian Government have been signed and otherwise documented except the one dealing with education.

I was present at a meeting with the officials and Prince Faisal on about December 11, when it was stated that the Educational Agreement along with others would be signed within a few days. Upon inquiry of Mr. Husseini, as of yesterday, he said that he had returned the signed English copy of the Educational Agreement because the signed copy of the Arabic version did not accompany it. He also indicated that maybe the agreement should be rewritten and that possibly he should arrange for me to meet with the authorities to accomplish this end.

Since I have not in any way participated in either the preparation or the negotation of this agreement I do not consider it appropriate to enter the case at this time except as you may direct or determine.

I feel however that the matter should be followed as expeditiously as circumstances may warrant. Particularly since subsequent individual project agreements must be predicated upon this basic agreement.

Yours sincerely,

Robert D. Dolley

Robert D. Dolley
Chief of Ed. Division
TCA Saudi Arabia

covering letter from 4th inc Jan. 6, 1953
in my file
G.W.F.

بسم الله الرحمن الرحيم

الرقم ...

التاريخ ...

المشفوعات ...

المملكة العربية السعودية
وزارة الصحة

In accordance with the Agreement for a Technical Cooperation Program in Public Health and Disease Control, our requirements are as follows:-

I - Officers and experts seconded by the American Government.

II - TRAINING :

(1) 4 doctors at the beginning.
(2) 7 Assistants for training on hospital administration and its supply.
(3) 10 Assistants for radiography training .
(4) Agricultural Engineer for anti-insects work.
(5) Civil Engineer for health engineering training.
(6) 10 health students for nurse training - yearly.
(7) Mission of Assistants for training on health inspection and food supervision.
(8) Mission of Assistants for laboratory training.

(N.B. All these missions will be sent to U.S.A. , or part of them to Egypt for language difficulties)

III - EQUIPMENT :

(1) The 4th Point will establish and equip (instruments, tools and furniture) an ideal laboratory at Jiddah for chemical, bacteriological, haematological, pathological and parasitological examinations and supply it with the experts for supervision and training of Saudi squad, who will be attached to them, for a limited period, and then the experts will hand over the laboratory to the Saudis.
(2) The 4th Point will establish and equip at Taif a laboratory for the preparation of anti-smallpox vaccine and blood transfusion and will supply it with experts and train the Saudis and hand over the laboratory to them, after a specified period agreed upon, for their administration.

بسم الله الرحمن الرحيم

المملكة العربية السعودية
وزارة الصحة

الرقم ...
التاريخ ...
المشفوعات ...

Cont.

III - (3) The 4th Point will equip (furniture and medical instruments) an ideal health unit at Riyadh Area which will be a symbol for circulation in all the villages of the country - the doctor and staff of the unit will be Saudis. This unit will be on the same basis of the Egyptian Rural Health Unit.

Agreements corresp

UNITED STATES OF AMERICA
TECHNICAL COOPERATION ADMINISTRATION

Jidda, Saudi Arabia

January 8, 1953.

MEMORANDUM

TO: Sadek Bey Husseini, Director, Liaison Office for Technical Assistance.

FROM: John A. Dunaway, Acting U. S. Director of Technical Cooperation in Saudi Arabia

SUBJECT: Request for Translation and Transmittal Letter to Dr. Mohammad Khashukgi, Secy.Gen.,Ministry of Health,Mecca, from John A. Dunaway.

It would be appreciated if you would make arrangements for the translation and transmittal of the attached letter to Dr. Mohammad Khashukgi, Secretary General, Ministry of Health, Mecca.

Jidda, Saudi Arabia

January 8, 1953

Dear Dr. Khashukgi:

This is to confirm the conversation you had with Mr. Ferguson in the office of Mr. Husseini yesterday.

1) The Health Division of TCA is in need of an interpreter who either knows how to interpret fluently conversations pertaining to Health and Sanitation or who is able to interpret general conversations fluently and who in a short time could learn the scientific terms. It would be preferable to have a person who has had some training in public health work.

   This persons would be in the direct employment of the TCA Mission. He will be given his instructions and receive his salary from the Mission. He should be prepared to accompany members of the Health Division to any part of the Kingdom that the work requires.

   The Health Division will be happy to hire a person nominated by the Minister of Health if he fulfills our requirements.

2) To fulfill the Health Division's part of the Rural Community Development Project, it is proposed to establish a general public health clinic and a rural sanitation program. The sanitarian will probably be recruited from America but the doctor should be able to speak Arabic fluently. He should be a graduate of a recognized medical school and have at least two years of general clinical medicine. The lack of sufficient housing precludes the doctor taking his wife on this assignment at the present time. He will be given wide latitude of operation and under the general supervision of the Chief of the Health Division, he will have to use his initiative to a large degree. If the Ministry of Health has anyone who might be able to fill this assignment, the TCA Mission would be glad to interview him. He would be paid his salary and receive his instructions from the Mission.

Dr. Mohammad Khashukgi,
Secretary General,
Ministry of Health,
Mecca, Saudi Arabia.

3) The two tentative Project Agreements were given you for study and comments. These are rough drafts and should only serve as a basis of discussion. When definite agreement is reached on each item, the Projects will be rewritten in final form for signatures of both parties.

It is suggested that if the Ministry of Health wishes to propose any projects, that they be made in this general form.

4) Receipt is acknowledged of your letter of January 6, 1953, listing requests and projects. In regard to training we shall await the submission of names of applicants. It is urged that a plan be made as to how these prospective students will be used when they return from their training. Before definite and specific scholarships will be approved it will be necessary that the TCA Mission have this information. It is preferable for the prospective students to be working now in the field in which advanced training is to be received.

It is hoped that before long we shall see the results of this planning.

Very truly yours,

John A. Dunaway
Acting Country Director for Technical
Cooperation in Saudi Arabia

TCA: GWFerguson:dg

بسم الله الرحمن الرحيم

الرقم ٢٤٠٢

التاريخ ... ١/٥/٧٤

المشفوعات ٤

حضرة المستر فيرجسون

مدير برنامج النقطة الرابعة فى المملكه العربيه السعوديه

(جـــده)

بعد التحيـــــة :

معاد من طيه مسودة اتفاقية المشروع رقم (١ ، ٢) بعد دراستها دراســـة وافية . ان هاتين الاتفاقيتين لاتحققان اهداف هذه الوزارة .

ارسلت طلباتنا طى الكتاب رقم ٢٧٨٦ وتاريخ ٦ يناير ١٩٥٣ ويمكنكم تنفيذ اى من مقترحاتنا ولكن تعطى الاولويه فى الدرجه الاولى الى ٣ (٢) تاسيـــس معمـــل لتحضير لقاح الجـــدرى الخ . ...

المخلـــــص

السكـــرتير العـــام

ب

بسم الله الرحمن الرحيم

الرقم ... 3203

التاريخ ...

المشفوعات .. 6

المملكة العربية السعودية
وزارة الصحة

17th. January, 1953.

Mr. G.W. Ferguson,
Director, 4th Point Program in Saudi Arabia,
Jeddah.

Greetings,

Returned herewith are the draft Agreements of Scheme No. 1 and 2 after they were studied carefully. It appears that these programmes do not achieve the Ministry's goals.

Our requirements were sent to you under cover of letter No. 2786 of January 6, 1953. You may carry out any of these suggestions but the most priority is given to III-2 establishment of a laboratory for the preparation of anti-small pox vaccine etc.

Yours Sincerely,

Dr Khashogg

SECRETARY GENERAL.
(Dr. M. Khashuqji)

AG

اتفاقية المشروع رقم ١
بمقتضى
برنامج التعاون الفني
الخاصة بالصحة العامة ومراقبة الامراض
بين
حكومة المملكة العربية السعودية
و
حكومة الولايات المتحدة الاميركية

لقد ابرمت اتفاقية المشروع هذه بين ( ) المعين كممثل لحكومة المملكة العربية السعودية (ويشار اليه فيما بعد بـ الممثل) ومدير ادارة التعاون الفني بالمملكة العربية السعودية المعين كممثل لحكومة الولايات المتحدة الاميركية ، بمقتضى اتفاقية التعاون الفني للصحة العامة ومراقبة الامراض بين الحكومتين المؤرخة في ١٥ ديسمبر ١٩٥٢ . واينما تظهر الكلمة (مدير) في هذه الاتفاقية ، فانها تعني المدير الامريكي للتعاون الفني في المملكة العربية السعودية .

١ـ وصف المشروع

هذا المشروع يرمي الى تقديم المساعدة محليا على تمرين فنيين محليين للمختبرات الطبية .

ففي الوقت الحاضر ان معظم الفنيين الذين يعملون بالمختبرات الطبية قد نالوا القليل او لا شئ من التمرين ولا يمكنهم ان يقوموا الا بالاختبارات البدائية جدا . لذا سيؤسس مختبر ملائم ويعين له مكانا في المستشفى العام بجده او اى مكان اخر ملائم يتفق عليه الطرفان . يتمرن فيه الاشخاص الذين يعملون الان كفنيين وغيرهم ممن ينتخبون لذلك ويعطوا دروس مقررة يعدها مراقب المشروع والمستشار بالصحه .

٢ـ طريقة تنفيذ المشروع

أ ـ يكون وزير الصحة مسئولا عن عملية المشروع . وسيكون هناك مراقب للمشروع تنتخبه الحكومة السعودية ليشرف على المشروع ويكون مسئولا مباشرة عن تنفيذه .

وهذا الشخص سيكون البكتريولوجي والوقائي المعين حاليا في خدمة الكورنتينه ويمكنه ان يقوم بكلا العملين معا نظرا الى ان كل منهما تكميل للاخر . واذا تطلب الامر الى زيادة المدرسين فسينتخبون من الهيئة الطبية بالمستشفى العمومي .

ويقوم المدير بانتخاب مستشار ليعمل كمستشار للمراقب وذلك بعد استشارة الممثل

وتنتخب وزارة الصحة التلاميذ بعد استشارة المدير ، ويقرر اكبر عدد ممكن لكل درس وستكون الوزارة مسئولة عن مد التلاميذ بمعاشاتهم وعلاواتهم .

وتمنح وزارة الصحة التلاميذ الناجحين شهادة مواظبه .

٣ـ تامين نفقات المشروع

أـ تقوم وزارة الصحة بتقديم :

١ـ موقع ملائم به قوة كهربائية وماء وفراشين بشكل كاف .
٢ـ خدمات البكتريولوجي الموجود بالكورنتينه ، وغيره من المدرسين الذين يحتاج لهم .
٣ـ دفع معاش وعلاوة للتلاميذ الى مبلغ مقداره ــــــ دولار .

ب ـ تقوم ادارة التعاون الفني بتقديم المواد والاجهزة اللازمة والتي سوف لا يزيد مقدار قيمتها عن (٢٠٠٠٠) دولار .

جميع الادوات والاجهزة والمواد التي تشترى برأس مال امريكي ، سوف تصبح بعد انتهاء المشروع من ممتلكات وزارة الصحة ، وتحول لحساب ممتلكات الوزارة .

هذه الاتفاقية سوف تصبح نافذة المفعول من تاريخ توقيعها وسوف تبقى نافذة المفعول لمدة ثلاثة سنوات او لمدة شهر واحد بعد ابلاغ اى الطرفين للطرف الاخر كتابة رغبته في انهائها ، ايهما كان السابق ، وسيكون خاضعا الى المخصصات المتوفرة لكلا الطرفين لاغراض المشروع .

وهذا الوفاق قد اعد على نسختين ووقع في وزارة ــــــــــــــــــــ

ــــــــــــــــ بتاريخ ــــــــــــــــــ .

ــــــــــــــــــ ــــــــــــــــــ

ــــــــــــــــــ

س.س/ع.ز

This draft rewritten

اتفاقية رقم ٢
لمشروع الصحة العامة ومراقبة الامـــــراض
المبرمة بموجب برنامج التعاون الفني
بيـن
حكومة المملكة العربية الســـــــعودية
و حكومة الولايات المتحدة الاميركيـــــــة

لقد ابرمت اتفاقية المشروع هذه بين ( ) المعين كممثل لحكومة المملكة العربية السعودية (والمشار اليه فيمايلي بـ "الممثل") والمدير الاميركي لبعثة التعـــاون الفني في المملكة العربية السعودية المعين كممثل لحكومة الولايات المتحدة الاميركية ، وهذه الاتفاقيـــة ملحقة باتفاقية برنامج المساعدة الفنية المبرمة بين الحكومتين والمؤرخة في ١٥ ديسمبر ١٩٥٢ . وتعنـي كلمة "المدير" اينما جاء ذكرها في هذه الاتفاقية ، المدير الاميركي لبعثة التعاون الفني في المملكـــة العربية السعودية .

١ـ اهداف المشـروع

أ ـ يرمي هذا المشروع لعمل حفر مراحيض في المدارس الابتدائية وفي الامكنـــــة الضرورية الاخرى .

ب ـ ان التخلص من الفضلات الجسمية بطريقة صحيحة يعد من اهم الخطوات الكفيلة بتحسين الصحة العامة ومكافحة الامراض . وهذه حقيقة منتشرة ومعترف بهـــا وتقوم اقطار كثيرة بصرف مبالغ ضخمة في كل سنة في هذا السبيل .

جـ ـ ان بناء المراحيض ـ بحد ذاته ـ لايكفي . اذ يجب تعليم الناس كيفية استعماله ولهذا فسيشرع في بنائها في المدارس اولا . ولاهمية هذا المشروع فقد كان من اول المسائل المبحوثة بموجب اتفاقية برنامج الصحة .

٢ـ طريقة تنفيذ المشروع

أ ـ ان وزارة الصحة ستكون مسؤولة عن تنفيذ هذا المشروع . وسيعين مراقب يتـــم اختياره بواسطة وزارة الصحة ليتولى الاشراف على المشروع وسيكون المســـؤول المباشر عن تنفيذه .

وسيتم تعيين مستشار ـ يتولى اختياره "المدير" بعد التشاور مع "الممثل" ـ يتـــولى ارشاد مراقب المشروع .

ب ـ سوف تبنى المراحيض في المدارس بعد ان توضح اسباب المشروع الى كل معلم بصورة دقيقة . وسيكون المعلمون مسؤولين عن استعمال التلاميذ للمراحيـــض على الوجه الصحيـــح .

جـ — يقدم الى "الممثل" و "المدير" تقرير شهرى تبين فيه الاموال المصروفة وعدد المراحيض المبنية ومواقعها ونسبة استعمالها وسيتم تحديد هذه النسبة بالتفتيش على المراحيض خلال فترات معينه ٠

٣— تأمين نفقات المشروع

ويبلغ مجموع تكاليف هذا المشروع ١٠٫٠٠٠ دولار و ١٠٠٫٠٠٠ ريال سعودى وقد خصص مبلغ ال ١٠٫٠٠٠ دولار لشراء اللوريات والمشتروات الاجنبية الاخرى ٠ اما مبلغ ال ١٠٠٫٠٠٠ ريال فقد خصص لشراء المعدات المحلية ونفقات العمال ٠

تساهم الحكومة العربية السعودية بما يلي :—

أ — نفقات المراقب

ب — مبلغ ١٠٠٫٠٠٠ ريال

وتساهم حكومة الولايات المتحدة الاميركية بمايلي :—

أ — ١٠٫٠٠٠ دولار

ب — نفقات المستشار

توضع الريالات كأمانة باسم المراقب و هو يتولى الانفاق منها ٠ اما الدولارات فيجرى انفاقها بواسطة المستشار ٠ ويتم الصرف بعد تشاور المراقب والمستشار واتفاقهما ٠

يعمل بهذه الاتفاقية اعتبارا من تاريخ توقيعها ويبقى مفعولها ساريا لمدة ثلاث سنوات او لمدة شهر واحد يتلو اشعار احد الفريقين للاخر كتابة برغبته على انهائها (اى الامرين يقع اولا) كما ان المخصصات الموضوعة لهذه الاتفاقية خاضعة للانفاق من قبل اى من الفريقين لاغراض المشروع ٠

حضرت هذه الاتفاقية على نسختين وجرى توقيعها في وزارة _____

_____ بتاريخ _____ ٠

_____ _____

_____

Comments. Project Agreement

Jidda, Saudi Arabia

MEMORANDUM

January 26, 1953

TO: Sadek Bey Husseini
Director, Liaison Office
for Technical Assistance

FROM: John A. Dunaway

RE: Plans for Vaccine Laboratory

Some days ago we cabled Washington for plans, specifications and list of equipment necessary for the proposed laboratory for the preparation of sera and vaccines.

We are advised that one of our top ranking experts, Dr. Bevis, is available and that if the Saudi Government approves he will be sent to advise and assist in this project.

I would appreciate it if you will lay this matter before the proper authorities and inform us of the Government's decision as to his visit.

John A. Dunaway
Acting U. S. Director of Technical
Cooperation in Saudi Arabia

Project Agreements.

2-18-53

SecState

~~January 25, 1953~~

Wirom

RESTRICTED

NOSEC

TOTEC

Redeptel 443. Would welcome Bevis. ~~Request~~ ETA Jidda. ~~Agree with Hr opinion re manufacture of faccines but may have to agree this project to prevent stalling on other projects.~~ Health center and lab not in same city.

HARE

JADunaway
TCA:GWFerguson:pm

See letter 2/10 in Agreements Comments from Ferguson to Lee. Gen. of Health

Project Agreements

RESTRICTED* TELEGRAM RECEIVED RESTRICTED

1/20/53 #443

Reur 554. Suggest Bevis, Director of Labs, Jordan, visit Jidda for brief consultation period with Ferguson regarding vaccines and labs and to make appropriate estimate. We are prepared to so arrange if Dunaway requests. Unless Bevis finds differently, manufacturing of vaccines in Saudi Arabia should be discouraged due to availability in Middle East and extrme difficulty in obtaining technicians for manufacturing. Planning and staffing would require two year preparation period. Proceeding with ultimate for typical health center including diagram laboratory. Inform us soonest whether health center and lab in same city.

DULLES

Sec State
UNCLASSIFIED

WIROM

January 18, 1953

554

NOSEC

TOTEC

SAG interested in health center, pu lic health laboratory and lab for manufacture vaccines for cholera, typhoid fever, smallpox. Request estimate cost of equipment for district health center furnishing basic services for 50,000 people, PH lab 50,000 people, vaccine lab for population of 2 million. Send suggested layout for PH center and PH lab.

HARE

JADunaway
TCA:JAStacy:GWFerguson:pm

File 2
Correspondence
agreement

UNITED STATES OF AMERICA
TECHNICAL COOPERATION ADMINISTRATION

Jidda, Saudi Arabia.

December 21, 1952.

MEMORANDUM TO: Sadek Bey Husseini, Director
Liaison Office, Technical Assistance

FROM: John A. Dunaway, Acting U. S. Director of
Technical Cooperation in Saudi Arabia

RE: Request for Translation and Transmittal,
Letter dtd Dec 21 to Dr. Mohammed Khashukji
from Gerald W. Ferguson.

It would be appreciated if you would arrange for the translation and transmittal of the attached letter to Dr. Mohammed Khashukji, Secretary General of the Ministry of Health, Mecca, from Gerald W. Ferguson, Chief, Health and Sanitation Division, TCA.

Jidda, Saudi Arabia

December 21, 1952.

Dr. Mohammed Khashukji
Secretary General
Ministry of Health
Mecca, Saudi Arabia

Dear Dr. Khashukji:

Your kindness in arranging for me to go with you to Taif on December 18 and 19 to visit the military and civilian hospitals and to review the location of the proposed central laboratory was greatly appreciated.

It is suggested that detailed reports be sent to our office on projects that the Ministry of Health wishes consultation and assistance. After reviewing the projects, our office will then be in a better position to discuss them with the Ministry and, if agreeable to both parties, project agreements can be prepared.

It is urged that it be kept in mind that the Point IV Program is primarily a technical assistance program.

The hospitality shown me makes me definitely realize that our meeting is the beginning of a real friendship. I am very proud to have been selected by my Government to come here and work with you and the other personnel of the Ministry for the improvement of the health of the people of Saudi Arabia.

Again please accept my sincere thanks foryour gracious hospitality. I shall look forward to seeing you again soon.

Respectfully,

Gerald W. Ferguson
Chief
Health and Sanitation Division

E-1

UNITED STATES OF AMERICA
TECHNICAL COOPERATION ADMINISTRATION

Jidda, Saudi Arabia

January 24, 1953.

MEMORANDUM

MEMORANDUM TO: Sadek Bey Husseini, Director, Liaison Office for Technical Assistance

FROM: Mr. John A. Dunaway, Acting U. S. Director of Technical Cooperation in Saudi Arabia

RE: Request for Translation and Transmittal of Letter of January 22 from Gerald W. Ferguson to Dr. Mohammed Khashuhji.

It would be appreciated if you would arrange for the translation and transmittal of the attached letter to Dr. Mohammed Khashuhji, Secretary General, Ministry of Hygiene, Mecca, from Gerald W. Ferguson, Chief of Health Division, TCA Saudi Arabia.

FILE COPIES
F - 1
F - 2
chron

1 - Ferguson

Jidda, Saudi Arabia
January 22, 1953

Dear Dr. Khashuhji:

Thank you for your letter of January 17, 1953, together with two copies of drafts of Project Agreements Nos. 1 and 2 and your comments on them.

We are preparing project agreements for the manufacture of vaccines in Taif and the establishment of a public health center in Riyadh as well as re-writing project agreement No. 1 to make it conform more closely with the Ministry of Health's wish for a public health laboratory at Jidda. However, these are not completed as we are waiting for an answer from a cable that has been sent to Washington concerning these projects.

It was never anticipated that the first two project agreements would fulfill the goals of the Ministry of Health. However, it was felt that since there is much to do in public health work, these projects could be started while the Ministry and TCA were preparing plans for projects listed in your letter of January 6, 1953.

Again it is desired to emphasize our previous statements that these drafts are by no means considered final by this office. On the contrary, the draft agreements should only be considered as a basis for discussion, and they will be modified until mutual agreement is reached on each project.

I am looking forward to seeing you again in the near future in order that we can discuss problems of mutual interest.

Sincerely yours,

Gerald W. Ferguson, Chief
Health Division

Dr. Mohammed Khashuhji,
Secretary General,
Ministry of Hygiene,
Mecca, Saudi Arabia.

TCA:JADunaway:[redacted]

A PROPOSED PROGRAM UNDERSTANDING FOR TECHNICAL COOPERATION BETWEEN SAUDI ARABIA AND THE UNITED STATES OF AMERICA FOR THE FISCAL YEAR 1953

Considering that the Government of Saudi Arabia and the Government of the United States of America have signed at Jidda on January 17, 1951, a General Agreement for Technical Cooperation and have taken action thereunder to institute work in the fields of Finance and Water Development, and

Considering that the governments desire to extend and develop cooperative action in these and other fields, with the objectives of promoting international understanding and goodwill, and, by action mutually agreed between them, to maintain world peace and eliminate causes of international tension, and

Considering that the interchange of technical knowledge and skills will promote the general welfare and friendship of the peoples of the two countries,

The following articles form the understanding between the two governments for a program of technical cooperation in Saudi Arabia during the fiscal year 1953.

ARTICLE I

The government of Saudi Arabia requests that the cooperative work under way in Finance and Water Development be continued. The government of Saudi Arabia further requests that cooperative action in the additional fields of Agriculture, Communications, Vocational Training, and Health and Sanitation be initiated.

ARTICLE II

The government of the United States of America will furnish to the government of Saudi Arabia technical assistance consisting of specialists to collaborate with the Ministry of Finance and the Ministry of Health and Education on mutually agreed projects. This staff of specialists shall be under the general supervision of a Director of Technical Cooperation furnished by the government of the United States of America.

ARTICLE III

A plan shall be jointly prepared for each project in fields provided for in this understanding. These plans shall designate the work to be done, the apportionment between the two governments of the costs involved and the procedure for paying such costs, exclusive of the salaries and such

expenses of the personnel employed as the respective governments will bear, and such other matters as may seem desirable. Upon substantial completion of any project, a record of the work done, results obtained and related data shall be furnished to each government.

SIGNED this ____ day of _____, 195__ at _____

FOR THE MINISTRY OF FINANCE

_____

FOR THE MINISTRY OF HEALTH AND EDUCATION

_____

THE DIRECTOR OF TECHNICAL COOPERATION
IN SAUDI ARABIA

_____

A PROJECT PLAN FOR TECHNICAL ASSISTANCE FOR SAUDI ARABIA
for FY 1953

The basic requirements of Saudi Arabian development may be stated, in part, as follows:

a. Improve finance and financial administration.

1. Currency and banking. Preparation of a program of monetary and banking reform, including creation of a government bank.

2. Fiscal system. Improve the handling of receipts (which are largely in foreign currencies) and expenditures, especially by creation of a government bank.

3. Budgetary system. Develop and introduce suitable government budgetary procedures, including means to finance development program.

4. Tariff and customs. General revision of laws and regulations and improvement of administration.

5. On the job training of Saudi Arabians in all these processes.

b. Expand water surveys in progress to include all potential water sources.

1. Conduct water test drilling program.

2. Provide necessary drilling rigs.

3. On the job training of Saudi Arabians in these processes.

c. Expand present water sources.

1. Dig irrigation wells.

2. Improve efficiency of use of present water supply.

3. Provide necessary equipment.

4. On the job training of Saudi Arabians in these processes.

d. Improve agricultural production and find means to conserve produce.

1. Provide technical information and demonstrate improved farming methods.

2. Conduct a modest program of field research in crops and livestock improvement and in the improved use of water.

3. Develop a plan for extending these improved farming methods to the majority of farmers and livestock producers.

4. On the job training of Saudi Arabians in all these processes.

e. Improve health and sanitation.

1. Expand and continue Malaria survey and control measures.

2. Study, recommend and put into operation such sanitary measures as will help to reduce other preventable communicable diseases.

3. Expand and maintain maternal and child care program.

4. Develop a plan for extending these improved health services to a majority of the people.

5. On the job training of Saudi Arabians in all these processes.

f. Extend vocational training.

1. Help establish and maintain Commercial Schools.

2. Expand the scope of existing Trades Schools.

g. Trainee and Leader grants.

1. Award grants to promising trainees for additional training and experience at suitable places.

2. Award grants to leaders in the fields of geology, water use, agriculture, government administration, health and sanitation and vocational training for additional study at suitable places.

* * * * *

Budget Breakdown

a. Finance and financial administration

1. Personnel	$ 88,000	
2. Office Eq & Sp	6,000	
3. ———	———	
4. Trans & travel	6,000	$ 100,000

b. Water survey.

1. Personnel	$ 40,000	
2. Office, Lab equip and supplies	25,000	
3. Field equip	300,000	
4. Trans & travel	10,000	$ 375,000

c. Water use.

1. Personnel	$ 20,000	
2. ———	———	
3. Field equip	5,000	
4. Trans. & travel	500	$ 25,500

d. Agriculture

1. Personnel	$ 40,000	
2. Off equip & supplies	4,000	
3. Field equip	10,000	
4. Trans & travel	10,400	$ 64,400

e. Health and Sanitation

1. Personnel	$ 60,000	
2. Off equip & supp	5,000	
3. Field equip	150,000	
4. Trans & travel	11,000	$ 226,000

f. Vocational training

1. Personnel	$ 40,000	
2. Off equip & supp	3,000	
3. Field equip	60,000	
4. Trans & travel	5,400	$ 108,400

g. Trainee and leader grants

50 trainees	$ 100,000	
10 leaders	50,000	$ 150,000

h. Administrative support for Point 4 program.

1. Personnel	$ 100,000	
2. Off & equip & supp	5,000	
3. ———	———	
4. Trans & travel	5,400	$ 110,400
		$1,159,700

Recapitulation—

a.	$ 100,000
b.	375,000
c.	25,500
d.	64,400
e.	226,000
f.	108,400
g.	150,000
h.	110,400
	$1,159,700

Agreements - Correspondence

Jidda, Saudi Arabia

December 24, 1952

Dear Mr. Johnson:

We attach copies of the Project Agreement for Rural Community Development Projects and the Program Agreement for a Technical Cooperation Program in Public Health and Disease Control.

These Agreements were signed on December 15th, 1952, by representatives of the Saudi Arabian Government and the Government of the United States of America.

Cordially yours,

John A. Dunaway
Acting U. S. Director
of Technical Cooperation
in Saudi Arabia

Mr. W. Fred Johnson
Chief, FAO Mission to Saudi Arabia
Jidda, Saudi Arabia

Agreements-Correspondence
Comments

Jidda, Saudi Arabia

December 8, 1952

Ref: Your File SA 4.0953

Dear Mr. Johnson:

In accordance with your letter of December 3, 1952, we are enclosing copies of the following Agreements which have been signed by the Technical Cooperation Administration for the United States Government and His Majesty's Government of Saudi Arabia.

General Agreement	Signed January 17, 1951
Finance and Customs Agreement	Exchange of Notes September 25,1951 and October 3, 1951
Program Agreement in Agriculture	Signed November 10, 1952
Program Agreement in Transportation and Communication	Signed November 10, 1952
Program Agreement in Natural Resources	Signed November 10, 1952
Project Agreement for a Railway Survey	Signed Novmmber 10, 1952
Project Agreement for an Aerial Survey	Signed November 10, 1952

We shall forward a copy of any Agreements signed in the future for your information and files and we shall be pleased to receive a copy of any Technical Assistance Agreements signed by FAO and His Majesty's Government in the future.

Cordially yours,

Samuel S. Stratton
U.S. Director of Technical
Cooperation in Saudi Arabia

Mr. W. Fred Johnson
Chief, FAO Mission to Saudi Arabia
Jidda, Saudi Arabia

Jidda, Saudi Arabia

MEMORANDUM

December 15, 1952

TO: Mr. W. Fred Johnson
Chief, FAO Mission to Saudi Arabia
Jidda, Saudi Arabia

FROM: Edward Betzig
Acting Program Officer
TCA, Jidda, Saudi Arabia

The enclosed Financial and Customs Project Agreement, which covers the work of our Public Administration and Government Services Division, differs from our other Agreements due to the fact that it was the original project agreement and a standard form had not been drawn up at the time of signing.

An amendment will be made to this Agreement as the United States Government will be providing housing for its technicians. We shall furnish you with a copy of the amendment when it is completed and signed.

Comments on agreement

The Honoured Director
Liaison Office for T.C.A.

Answering your letter No. 2/16/712 dated the 19th of the current month, we inform you that we have ready the report of the head driller concerning the required materials and implements and which Dr. Brown has asked you to submit to us.

Since the agreement concerning the T.C.A. program in Natural Resources (Art.3, paragr.c) stipulates that the implements as well as the office furnitures and the scientific instruments and the materials necessary for the execution of the advisor's work which could not be obtained in the Kingdom of Saudi Arabia - all these must be offered by the U. S. Government. The same article, however, stipulates that the S.A.G. too must share in a just way the expenses of the T.C.A. program in Natural Resources at a rate to be agreed upon by the two sides, i.e., the two governments shall share the expenses of the program together.

We would like to know what share the U.S.A. government has given in this concern. Please communicate, therefore, with the U. S. Director of T.C.A. and discuss that with him and inform us about the result.

Sincerely yours,

Deputy Finance Minister

File 2
Agreements
Comments.

TECHNICAL COOPERATION ADMINISTRATION
Jidda, Saudi Arabia

December 17, 1952.

MEMORANDUM TO: Mr. Charles Buck
Mr. Edward F. Sinclair
Mr. Edward Betzig
Sadek Bey Husseini

FROM: Dr. Samuel S. Stratton

RE: Railway Survey

The attached is for informational purposes only. You will be notified if additional information is forthcoming.

COPY

COPY

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

American Embassy,
Jidda, Saudi Arabia,
December 9, 1952.

MEMORANDUM

TO: : Dr. Stratton, TCA

FROM: : Ambassador

SUBJECT : Railway Project Agreement

Sam:

Enclosed is a copy of the letter which we have agreed to send to Shaikh Abdullah in reply to his letter regarding the sharing of costs on the Railway Project.

The translation is now being prepared, but I am afraid it will not be ready before your departure tomorrow for Riyadh but you may be able to make use of this English copy as a basis for any discussion which you may have on the subject.

Enclosure:
Letter dated Dec. 1, 1952.

C
O
P
Y

COPY COPY

Jidda, December 1, 1952.

His Excellency
Shaikh Abdulla Sulaiman,
Minister of Finance,
Kingdom of Saudi Arabia

Greetings:

With reference to the letter dated Safar 23, 1372 - November 11, 1952 - from Your Excellency concerning interpretation of Article 3, Sections 2 and 3 of the Railway Project Agreement, it is my pleasure to submit the following in clarification of our mutual understanding.

Article 3 of the agreement sets forth the contribution of the two Governments as follows:

In addition to such services as may be rendered at the expense of the Government of the United States for surveying the physical resources along the route of the proposed railway, for aerial mapping and for technical and administrative services connected with the survey, the United States Government agrees, under Paragraph 1, to pay the dollar costs of the contracted survey in an amount up to $330,000.

On its side, the Saudi Arabian Government agrees, under Paragraph 2, to meet riyal costs in an amount not to exceed the equivalent of $27,000 to cover disbursements for food for contractor's technicians, petroleum fuel and lubricants, wages of Saudi Arabian personnel and certain other riyal expenses of carrying out the Railway Survey project, on the understanding that, if necessary, disbursements for such purposes should exceed the riyal equivalent of $27,000, such disbursements would not be borne by the Saudi Arabian Government. Finally, the Saudi Arabian Government agrees, under Paragraph 3, that, in addition to assuming responsibility for disbursements within the limit mentioned, it will provide certain services including housing for the contractor's manager and his family in Jidda and quarters for up to ten contractor personnel at Jidda or Riyadh; canteen and laundry privileges at Jidda and Riyadh; access to shop facilities for repair of contractor's equipment; office space at Jidda; preliminary air reconnaissance; access to any existing aerial photographs of proposed route; and police protection. With reference to housing for contractor personnel, it should be

observed

COPY

observed that this only applies to personnel of the International Engineering Company coming to Saudi Arabia to conduct the Railway Survey and would only be applicable during the period of survey operations. As stated in Doctor Stratton's letter of October 9, 1952, to Your Excellency, the United States Government is prepared to pay the housing costs for all TCA personnel serving in Saudi Arabia effective as of the date of signature of pertinent program agreements on the understanding that special arrangement may be made by mutual agreement to meet unusual circumstances arising in connection with the carrying out of specific projects.

To summarize, the United States will provide up to $330,000 to cover dollar costs, as well as furnishing certain additional services, and the Saudi Arabian Government would make available not to exceed the equivalent of $27,000 to cover riyal costs as well as furnishing certain services.

I believe that the foregoing analysis is in essential agreement with the interpretation of Your Excellency but I should be glad to discuss further any points on which further clarification might be desired.

It is a pleasure to take this occasion to convey to Your Excellency the expression of my most cordial regards.

COPY

AIR POUCH

Agreements
Cooper.

UNCLASSIFIED

December 6, 1952

AmEmbassy, Jidda

Attention: Treaty Division
Office of Legal Affairs

FS Despatch # 152

Agreement for a Cooperative Aerial Survey Project Between the Government of the United States of America and the Kingdom of Saudi Arabia

Under cover of this Despatch, we submit one signed English Text and one signed Arabic Text of AGREEMENT FOR A COOPERATIVE AERIAL SURVEY PROJECT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE KINGDOM OF SAUDI ARABIA

This Agreement was signed at the Ministry of Finance on 10th November, 1952, (22 Safar, 1372)

/s/ Raymond A. Hare
American Ambassador

UNCLASSIFIED

AmEmbassy, Jidda

December 6, 1952

Attention: Treaty Division
Office of Legal Affairs

FS Despatch # 153

Agreement For The Technical Cooperation Program in Natural Resources Between The Government of the United States of America And The Government of The Kingdom of Saudi Arabia

Under cover of this Despatch, we submit one signed English Text and one signed Arabic Text of the "AGREEMENT FOR THE TECHNICAL COOPERATION PROGRAM IN NATURAL RESOURCES BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE KINGDOM OF SAUDI ARABIA

This Agreement was signed at the Ministry of Finance on 10th November, 1952, (22 Safar, 1372)

/s/ Raymond A. Hare
American Ambassador

AIR POUCH

UNCLASSIFIED

AmEmbassy, Jidda

December 6, 1952

Attention: Treaty Division
Office of Legal Affairs

FS Despatch #154

Agreement for the Technical Cooperation Program in Agriculture Between the Government of the United States of America and The Government of the Kingdom of Saudi Arabia

Under cover of this Despatch, we submit one signed English Text and one signed Arabic Text of AGREEMENT FOR THE TECHNICAL COOPERATION PROGRAM IN AGRICULTURE BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE KINGDOM OF SAUDI ARABIA.

This Agreement was signed at the Ministry of Finance on 20th November, 1952, (22 Safar, 1372)

/s/ Raymond A. Hare
American Ambassador

AIR POUCH

UNCLASSIFIED

December 6, 1952

AmEmbassy, Jidda

FS Despatch # 155

Attention: Treaty Division
Office of Legal Affairs

AGREEMENT FOR THE TECHNICAL COOPERATION PROGRAM IN TRANSPORTATION AND COMMUNICATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE KINGDOM OF SAUDI ARABIA

Under cover of this Despatch, we submit one signed [redacted] English Text and one signed [redacted] Arabic Text of AGREEMENT FOR THE TECHNICAL COOPERATION PROGRAM IN TRANSPORTATION AND COMMUNICATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE KINGDOM OF SAUDI ARABIA

This Agreement was signed at the Ministry of Finance on 10th November, 1952, (22 Safar, 1372)

/s/ Raymond A. Hare
American Ambassador

AIR POUCH

UNCLASSIFIED

DEcember 6, 1952

AMEMBASSY, JIDDA

FS Despatch ~~XXXX~~ #156

Attention: Treaty Division
Office of Legal Affairs

Agreement for a Cooperative Railway Survey Project Between the Government of the United States of America and The Kingdom of Saudi Arabia

Under cover of this Despatch, we submit one signed English Text and one signed Arabic Text of AGREEMENT FOR A COOPERATIVE RAILWAY SURVEY PROJECT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE KINGDOM OF SAUDI ARABIA.

This Agreement was signed at the Ministry of Finance on 10th November, 1952, (22 Safar, 1372)

/s/ Raymond A. Hare
American Ambassador

AIR POUCH

UNCLASSIFIED

AmEmbassy, Jidda

FS Despatch # 182

Attention: Treaty Division
Office of Legal Affairs

Date 12/23/52

Agreement for a Technical Cooperation Program in Public Health and Disease Control Between the Government of the United States of America and the Government of the Kingdom of Saudi Arabia

Under cover of this Despatch, we submit one signed English Text and one signed Arabic Text of Agreement For a Technical Cooperation Program in Public Health and Disease Control Between the Government of the United States of America and the Government of the Kingdom of Saudi Arabia.

This Agreement was signed at the Ministry of Health on 28, Rabi Awal, 1372, (15th, December, 1952)

UNCLASSIFIED

AIR POUCH

UNCLASSIFIED

AmEmbassy, Jidda

Desp. No. 181

Attention: Treaty Division
Office of Legal Affairs

Date 12/23/52.

Project Agreement For Rural Community Development Projects Between The Government of the United States of America and the Kingdom of Saudi Arabia

Under cover of this Despatch, we submit one signed English Text and one signed Arabic Text of PROJECT AGREEMENT FOR RURAL COMMUNITY DEVELOPMENT PROJECTS BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE KINGDOM OF SAUDI ARABIA

This Agreement was signed at the Ministry of Finance on 28, Rabi Awal, 1372 (15, December, 1952)

UNCLASSIFIED.

AGREEMENTS- BACKGROUND INFO
AND COMMENTS.

Jidda, Saudi Arabia

MEMORANDUM

December 4, 1952

TO: Sadek Bey Husseini
Director, Liaison Office
for Technical Assistance

FROM: Edward Betzig
Acting Program Officer
Technical Cooperation Administration

RE: Copies of English Text of Agreements

We are attaching, for your files, two copies of the English Text of each of the following Agreements:

1. Cooperative Railway survey Project
2. Cooperative Aerial Survey Project
3. Cooperative Program Agreement in Natural Resources
4. Cooperative Program Agreement in Transportation and Communication
5. Cooperative Program Agreement in Agriculture
6. Cooperative Program Agreement in Public Health and Disease Control.
7. Cooperative Program Agreement in Education
8. Cooperative Rural Community Development Projects.

agreements
comments
See contrastive

MEMORANDUM

December 4, 1952

Memo. 12/4
reply 12/5

TO: Dr. Samuel S. Stratton

FROM: S. Husseini

RE: Maintenance of T.C.A. Owned Vehicles

I am in receipt of your memorandum of December 4, regarding the above mentioned subject and before submitting it to Government, I would like to clarify the following:

Agreements

It was my understanding that all maintenance of surface transportation was to be taken care of by Government, the cost of which would be accounted for as part of the contributions of the Saudi Arabian Government while the TCA budget could be better utilized in purchasing equipment and materials from the United States of America.

Mentioning "trouble and disturbance"; I still think that the orderly way of having jobs done against work orders, which is the idea behind the letter of December 4, addressed to me by the Government Representatives for Baker, is a means to put matters in order and not to create trouble.

It is true that there are certain delays sometimes on jobs done for us by Baker's but there has never been any recorded delay where TCA work was affected. Furthermore, I believe that in spite of the fact that Bakers have been under heavy pressure of work, they have been doing their best to keep TCA wheels turning and at many times TCA was given priority to their own jobs.

On the other hand, when I found out the increasing number of wheels and that minor jobs could be taken off the shoulders of Bakers, a first class mechanic was appointed to take care of minor jobs. This step was welcomed by TCA's Executive Officer, but I am now confronted with the fact that there will be no need for a mechanic who has just been engaged by Government at the request of this office.

12-1-52
See conferences with S.A. Officials for conference leading to this letter

COMMENTS ON AGREEMENTS
(X - RURAL COMMUNITY DEVELOPMENT PROJECTS)

TRANSLATION

His Excellency,
The Deputy Minister of Finance

Greetings

I perused the Draft Agreement for the Point IV Program in Agriculture and explained to Your Excellency some of the observations solely relating to the text of this Agreement. However, this Agreement and the relevant Agreements (whose purposes are the fulfillment of Projects and whose goal is far and of long duration) do not comprise all the assistance needed by the country nor are they the beginning of the work required. It is imperative that the assistance should come before such projects or at least in their outset, in the form of tangible and effective assistance to farmers in all the areas and districts of the Kingdom at the same time; And not by assisting one district and leaving the others or before the others.

Farmers, in all parts of the Kingdom, are poor, their production weak and the methods adopted by them are old, laggard and ineffective. With his meagre knowledge, the local farmer does not know how to utilize the rich resources at his disposal. To raise the standard of production of farmers and their ability is the corner-stone of agricultural promotion which the Government aspires to attain.

Major projects will neither bear fruit nor be of benefit as long as farmers are sticking to the old methods which do not enable them to utilize the wells, springs and fertile lands at their disposal.

Furthermore, Gizan, Darb, Bani Shu'ba or Kulais do not comprise all of the Kingdom.

I, therefore, think that the first assistance needed is to form seven agricultural units (mechanical and technical) each consisting of:

1. A number of bulldozers and tractors of large, medium and small sizes.
2. Combine machines.
3. Drilling rigs.
4. Equipment, insecticides and fungicides.
5. A workshop for the repair, exchange and maintanence of all such machines and other machines used by farmers.
6. A number of experts in the various fields of technical agriculture, supplied with good seeds and equipped with all that is necessary for the work.
7. A number of experts in animal diseases together with the necessary medicines.

One unit will be stationed in each of the following districts:

1. Riadh and the districts attached to it, including the southern wadis.

2. Hassa, Dammam, Qateif and the districts attached thereto.

3. Qaseem, Ha'il, Braida, Oneiza and districts attached thereto.

4. Northern Districts, the station of which will be at Medina, and including the districts and wadis in the north.

5. Tihama District, including Gizan, Qunfetha, Leith and having its station at Gizan.

6. Sarah District, with its station situated between Shahran, Dahran and Yemen.

7. Hijaz and Taif District, including adjacent territories and the wadis surrounding Mecca.

Each of these seven districts will have a complete unit empowered to rent these machines to farmers at reasonable rates which will help lighten the disbursements of these units and be within the scope of the farmers to improve their lands and earthern dams and enable them to till their lands. The duties of the experts will be to treat the plants and livestock of the farmers, to guide them and distribute the good seeds, to better their prevailing conditions and to look after their requirements and all that will help multiply their production in one year and make a real upheaval in the prevailing agricultural conditions.

The agricultural situation as well as the farmers will not benefit and their conditions will not improve if they are not the center of help, as they are the basic element necessary to all other major projects.

If farmers are not given quick assistance, the Government whilst drawing Agreements with the Point Four or the F.A.O. will continue to work and expend monies on the major projects without obtaining quick and tangible results. Also, without obtaining an actual help to its subjects whilst many years elapse and conditions remain at a stand-still and whilst production is as weak as ever. The outcome, when these projects come to an end, will be to find all local farmers unable to benefit from these projects or able to carry on after their expiration. The situation will then be critical and more dangerous.

The two million dollars that are to be spent by the Point Four at Darb and Khulais or the four million dollars or the fifty thousand pounds which the F.A.O. asked His Majesty's Government to contribute the first to found the Agricultural Institute at Gizan and the latter to establish the Agricultural Experimental Station also at Gizan will not lead to an agricultural revival in the country in the same degree as that rendered by the Agricultural Units previously referred to, as those units are a quick measure, paving the road and preparing the minds and unifying the forces towards fulfilling all the major projects agreed upon.

I believe that one million of the two million dollars allocated for the Kingdom in the budget of the Point Four will suffice to establish the Agricultural Units on beneficial and fruitful grounds. The other million will be utilized, if necessary, in Khulais or Wadi Fatima or in any of the projects to be agreed upon between the competent Government authority and the representatives of the Point Four.

The "Agricultural Institute" and the "Experimental Station" of Gizan, on the other hand, cannot be discussed or alterations for their future made before His Majesty's Government receives the complete reports, plans and other particulars, prepared by the F.A.O. experts after the completion of their field studies in the southern part of the Kingdom (both in Tihama and Sarah).

It will be necessary for His Majesty's Government to give its decision with regard to the two large sums allocated for the establishment of both the Agricultural Institute and the Agricultural Experimental Station within one district of the Kingdom with its vast area, to study the collective reports of the experts to be able to tell beforehand, the agricultural benefits desired, to determine the amounts that it will be called upon to contribute for these projects so as to balance its budget, to examine its financial position and to begin the work in accordance with the allocations provided for these projects in the budget. I have been informed by Dr. Tothill that the allocations required amount to $1,000,000, and I have already written to the F.A.O. requesting it to furnish me with the reports of the experts and will discuss everything in due course.

This has been one of the main reasons that made me impress the necessity for a good liaison between the competent authority which will represent the view of His Majesty's Government and which will be subject to your instructions and guidance and between the representatives of the Point Four and F.A.O. This competent authority will, in compliance with your guidance and within the scope of its speciality, be in a position to benefit from the assistance of these organizations and work in coordination with them to meet and remedy all that is deficient or necessary whenever possible.

I have to stress, anew, that this is the only correct and successful way for the goal which the Government aspires to and expends to attain. The decision is yours.

Sincerely yours,

Director General of Agriculture
Ahamd Obeid

Jidda, Saudi Arabia

MEMORANDUM December 10, 1952

TO: Dr. Stratton

FROM: Edward Betzig

RE: Comments on letter from the Director General of Agriculture to the Deputy Minister of Finance concerning the Agreements in Agriculture and Rural Community Development

The first thing which strikes the eye is the statement that Point Four does not provide all of the assistance needed to improve agricultural conditions in Saudi Arabia. He would have Point Four bring aid simultaneously to all farmers in "all the areas and districts". Hence he opposes a program concentrating on one district to the exclusion of others.

Certainly, given the magnitude of the agriculture budget of Point Four, it was never contemplated that "all the areas and districts" would be aided. Even if the budget were a large one, TCA, or any organization working in Saudi Arabian agriculture would find it most difficult to work in all areas while essential regional data concerning such factors as water resources, water storage possibilities, rainfall, soil conditions and other necessary details is largely lacking. There is also the very serious shortage of trained Saudi Arabian personnel needed to carry out the proposals of the technicians.

Even a multi-million dollar project, extended over several decades, would have to be carried out slowly until information and experience were gained as to methods of operation. Beyond the lack of knowledge and personnel, the Director General ignores the harsh realities of the Saudi Arabian situation. He states that the local farmer "does not know how to utilize the rich resources at his disposal". This ignores, among other things, the desert conditions characteristic of Arabia; its rain and water shortage, the widespread saline soils, poor drainage conditions, nearly complete lack of mineral, animal, and green manures. Indeed the Arabian Peninsula is, unfortunately, one of the most barren areas on the globe. Its agricultural resources are of the poorest. Also to be considered are the absence of an inter-regional road network and the fact that the country is sparsely populated - with one inhabited area separated from another by desert and mountains. Save for the Asir and a few oases, the rural economy of Arabia was, in the past, more of a herding-grazing type than of the settled, cultivating nature. Such a tradition does not produce the type of devoted agriculturist readily capable of making the desert land produce crops.

In economic terms, Saudi Arabia is a marginal to sub-marginal agricultural area. Production costs are high. Were it not for the necessity of having a certain food production as insurance in times of international crisis, it is probable that most food stuffs could be purchased abroad more cheaply than it could be grown in Saudi Arabia. A very large money outlay for roads, water conservation schemes, wells, soil and land studies and improvement, etc., will be necessary in order to appreciably increase food production. The money spent for such projects might be more economically spent in other development projects. Saudi Arabia is not so rich that she can spend her oil income without careful planning. Indeed, agricultural projects should only be undertaken if their economic utility is clearly evident. Potential new lands are few. Enormous sections are wholly useless. The date is the only agricultural product which has been produced in sufficient abundance to have even a fair surplus for export.

Thus Point Four faces no easy task. The intention is to work on a number of small pilot projects, as in Wadi Itwad, Wadi Kulais, etc., Other projects include technical aid to study and control plant and animal diseases which will have application over many areas of Arabia. The study and development of wool and meat producing sheep and goats would be of value to the country. This latter project should be seriously considered. Unless Arabia undergoes a most unlikely climatic change or science discovers some cheap way to produce rain, the greatest part of the country can be used for little besides grazing and herding.

Viewed in the light of the above conditions, it would appear as though the Director General's proposal that seven agricultural units be provided is a most unrealistic one. Actually there is great disparity between the regions he mentions. Each has its own peculiar needs. No neat package unit could be provided which would bring forth miracles. The idea recalls the extravagent conception of "tractor stations" of other countries and one wonders if the idea is not a romantic plan to avoid confronting Saudi Arabian realities.

The main criticism of the "unit" idea would obviously be based on its very questionable utility and economic feasibility. The question is, "does this idea confront the real problems of Saudi Arabian agriculture and would it be any more than a costly experiment"? Other criticism must rest on the very high cost of such a proposal; the lack of agriculturists, mechanics, technicians, etc., to carry on the work in such large areas; the unfortunate emphasis upon "tractors of large, medium and small sizes, combine machines, drilling rigs", as though a main reason for low Saudi Arabian productivity was its low degree of mechanization.

"Quick and tangible" results, such as the writer speaks of, are most difficult to attain in Agriculture. Some of the horrendous failures of plans to produce quick results such as the British ground-nut and egg schemes in Africa come to mind. In many cases the likelihood of success was much greater and the conditions far more favorable than in Saudi Arabia. Unfortunately, imagination and enthusiasm have proven to be poor substitutes for knowledge, experience,and willingness to be flexible and to go slowly.

The Director General states that neither the FAO or Point Four plans will lead to an "agricultural revival in the country". Unfortunately, Saudi Arabian agriculture, save for oasis cultivation and in the Asir, was always precarious and of low productivity. It is not a matter of reviving it but of, in a sense, beginning it. It is doubtful if any scheme could make Saudi Arabia a garden spot; certainly not a plan which offers a "quick measure".

The statement concerning the "two million dollars to be spent by Point Four at Darb and Khulais" is an error as to the amount. Furthermore the $500,000 Community Development Project for these projects is to cover the costs of development in a number of fields besides agriculture. These points should be clarified to prevent future confusion and misunderstandings. There is the further error concerning Point Four's $2,000,000 budget. Actually the budget is for a little over $1,500,000, spread over several divisions.

It is obvious that a meeting should be held with Department of Agriculture representatives at which time the Saudi Arabian Point Four program might be explained to them. Certainly, the Point Four seeks the cooperation and aid of the Department of Agriculture but little good will come of the matter if this department is permitted to harbour misconceptions as to the extent or objectives of our Program. Also, it would be tragic if anything we were to do would cause false hopes to be created. I have stressed the difficult nature of local conditions. Too frequently, foreign writers have glossed over these actualities and conjured up rosy futures based on slight evidence. Point Four contributions can help increase agricultural production, but neither we nor anyone else can create miracles unless nature or science change the basic geography and climatic conditions of the Arabian Peninsula.

12-1-52

TRANSLATION

His Excellency,
The Deputy Minister of Finance

Greetings

I perused the Draft Agreement for the Point IV Program in Agriculture and explained to Your Excellency some of the observations solely relating to the text of this Agreement. However, this Agreement and the relevant Agreements (whose purposes are the fulfillment of Projects and whose goal is far and of long duration) do not comprise all the assistance needed by the country nor are they the beginning of the work required. It is imperative that the assistance should come before such projects or at least in their outset, in the form of tangible and effective assistance to farmers in all the areas and districts of the Kingdom at the same time; And not by assisting one district and leaving the others or before the others.

Farmers, in all parts of the Kingdom, are poor, their production weak and the methods adopted by them are old, laggard and ineffective. With his meagre knowledge, the local farmer does not know how to utilize the rich resources at his disposal. To raise the standard of production of farmers and their ability is the corner-stone of agricultural promotion which the Government aspires to attain.

Major projects will neither bear fruit nor be of benefit as long as farmers are sticking to the old methods which do not enable them to utilize the wells, springs and fertile lands at their disposal.

Furthermore, Gizan, Darb, Bani Shu'ba or Kulais do not comprise all of the Kingdom.

I, therefore, think that the first assistance needed is to form seven agricultural units (mechanical and technical) each consisting of:

1. A number of bulldozers and tractors of large, medium and small sizes.
2. Combine machines.
3. Drilling rigs.
4. Equipment, insecticides and fungicides.
5. A workshop for the repair, exchange and maintanence of all such machines and other machines used by farmers.
6. A number of experts in the various fields of technical agriculture, supplied with good seeds and equipped with all that is necessary for the work.
7. A number of experts in animal diseases together with the necessary medicines.

One unit will be stationed in each of the following districts:

1. Riadh and the districts attached to it, including the southern wadis.

2. Hasa, Dammam, Qateif and the districts attached thereto.

3. Qaseem, Ha'il, Braida, Oneiza and districts attached thereto.

4. Northern Districts, the station of which will be at Medina, and including the districts and wadis in the north.

5. Tihama District, including Gizan, Qunfetha, Leith and having its station at Gizan.

6. Sarah District, with its station situated between Shahran, Dahran and Yemen.

7. Hijaz and Taif District, including adjacent territories and the wadis surrounding Mecca.

Each of these seven districts will have a complete unit empowered to rent these machines to farmers at reasonable rates which will help lighten the disbursements of these units and be within the scope of the farmers to improve their lands and earthern dams and enable them to till their lands. The duties of the experts will be to treat the plants and livestock of the farmers, to guide them and distribute the good seeds, to better their prevailing conditions and to look after their requirements and all that will help multiply their production in one year and make a real upheaval in the prevailing agricultural conditions.

The agricultural situation as well as the farmers will not benefit and their conditions will not improve if they are not the center of help, as they are the basic element necessary to all other major projects.

If farmers are not given quick assistance, the Government whilst drawing Agreements with the Point Four or the F.A.O. will continue to work and expend monies on the major projects without obtaining quick and tangible results. Also, without obtaining an actual help to its subjects whilst many years elapse and conditions remain at a stand-still and whilst production is as weak as ever. The outcome, when these projects come to an end, will be to find all local farmers unable to benefit from these projects or able to carry on after their expiration. The situation will then be critical and more dangerous.

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I believe that one million of the two million dollars allocated for the Kingdom in the budget of the Point Four will suffice to establish the Agricultural Units on beneficial and fruitful grounds. The other million will be utilized, if necessary, in Khulais or Wadi Fatima or in any of the projects to be agreed upon between the competent Government authority and the representatives of the Point Four.

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It will be necessary for His Majesty's Government to give its decision with regard to the two large sums allocated for the establishment of both the Agricultural Institute and the Agricultural Experimental Station within one district of the Kingdom with its vast area, to study the collective reports of the experts to be able to tell beforehand, the agricultural benefits desired, to determine the amounts that it will be called upon to contribute for these projects so as to balance its budget, to examine its financial position and to begin the work in accordance with the allocations provided for these projects in the budget. I have been informed by Dr. Tothill that the allocations required amount to $1,000,000, and I have already written to the F.A.O. requesting it to furnish me with the reports of the experts and will discuss everything in due course.

This has been one of the main reasons that made me impress the necessity for a good liaison between the competent authority which will represent the view of His Majesty's Government and which will be subject to your instructions and guidance and between the representatives of the Point Four and F.A.O. This competent authority will, in compliance with your guidance and within the scope of its speciality, be in a position to benefit from the assistance of these organizations and work in coordination with them to meet and remedy all that is deficient or necessary whenever possible.

I have to stress, anew, that this is the only correct and successful way for the goal which the Government aspires to and expends to attain. The decision is yours.

Sincerely yours,

Director General of Agriculture
Ahamd Obeid

بسم الله الرحمن الرحيم

المملكة العربية السعودية

وزارة المالية

مكتب الاتصال للمساعدات الفنية

جدة

الرقم . . ٣٢٤٢

التاريخ . ٧٢/٢/١٣

المشفوعات

حضرة صاحب السعادة وكيل وزارة المالية الجليلة الافخم

بعد التحية والتوقير :

اطلعت على مشروع اتفاقية النقطة الرابعة الخاصة بالزراعة وبينت لسعادتكم بعض الملاحظات التي تنحصر في النصوص المكتوبة في هذا المشروع غير ان هذه الاتفاقية وامثالها من الاتفاقيات التي تومي الى المشروعات والتي تهدف الى هدف بعيد طويل الاجل .

وليس هو كل ماتحتاجه البلاد من المساعدات ولا هو اول ماتحتاجه البلاد من الاعمال فلابد ان تبدأ المساعدات قبل تلك المشاريع ـ او في طليعتها على الاقل بمساعدة المزارعين مساعدة فعالة عملية ـ في كافة نواحي ومناطق المملكة في وقت واحد لافي ناحية دون اخرى ـ او قبل اخرى .

فالفلاح في كل بلد من بلدان المملكة فقير المال وضعيف الانتاج ووسائله قديمة بطيئة غير مجدية ـ وهو بمعلوماته القليلة لايعرف كيف يستغل الموارد ـ الحيه الموجودة بين يديه ـ ولهذا فان رفع مستوى انتاج المزارعين وزيادة مقدرتهم هو ركن الزاوية في التقدم الزراعي الذى تسعى له الحكومة جهد المستطاع.

والمشاريع الكبيرة لايمكن ان تنتج ولايمكن ان تفيد مادام الفلاحون على وسائلهم القديمة هذه التي عجزو معها عن استغلال ابارهم وعيونهم واراضيهم الحيه الموجودة تحت ايديهم . كما ان جيزان او درب بنى شعبه او خليص ليست هي كل المملكة .

ولهذا فانني اعتقد ان اول المساعدات التي نحتاجها هي :

تشكيل سبعه وحدات زراعية (ميكانيكيه وفنيه) تتكون كل وحده من .

١ـ عدد من تراكترات البلدوزر وتراكترات الحرث من الحجم الكبير والمتوسط والصغير .
٢ـ آلات للحصاد والدراسه (تذرية الحبوب) .
٣ـ الات الحفر الابار الارتوازيه .
٤ـ آلات وأدويه لمكافحة امراض النباتات .
٥ـ ورشة لاصلاح وتبديل قطع هذه الالات وغيرها مما يستعمله الفلاحون وصيانتها .
٦ـ عدد من الخبراء في فنون الزراعة المختلفة مزودين بالبذور الجيده ومختلف وسائل العمل .
٧ـ عدد من خبراء امراض الحيوانات مع مستلزمات العلاج من ادويه وخلافه .

توضع وحدة كاملة من هذه في كل منطقة من المناطق التاليه .

١ـ الرياض والمناطق التابعة لها بما في ذلك الوديان الجنوبيه .
٢ـ الاحساء والدمام والقطيف وتوابعها .
٣ـ القصيم وحائل وبريده وعنيزه وما يتبع ذلك من بلدان .

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٤ـ المناطق الشمالية ويكون مركزها في المدينه وتشمل المناطق والوديان الواقعة في الشمال .
٥ـ منطقة تهامه وتشمل جيزان والقنفده والليث ويكون مركزها في جيزان .
٦ـ منطقة السراة ويكون مركزها بين بلاد شهران وظهران واليمن .
٧ـ منطقة الحجاز الطائف ومايجاورها من البلدان والوديان المحيطة بمكه .

سبعه مراكز رئيسية في كل مركز وحدة كاملة تقوم بتاجير هذه الالات باجور معقولة تساعد على التخفيف من نفقات هذه الواحدات وتكون في مستوى قدرة الفلاحين لاصلاح اراضيهم وعقومهم وحراثتها ويقوم الخبراء بعلاج مزروعاتهم ومواشيهم وبارشادهم وتوزيع البذور الجيدة عليهم وتصحيح اوضاعهم وتفقد النواحي التي يحتاجونها والتي من شانها رفع مستوى الانتاج اضعافا مضاعفه في سنة واحدة ويبدل الاوضاع ـ الزراعية تبديلا كاملا صحيحا .

والحالة الزراعية والمزارعون لايمكن ان يستفيدو ولا ان تتطور اوضاعهم اذ الم يكونوهم موضع العناية اولا ـ لانهم النواة الاساسية للمشاريع الكبيرة الاخرى .

واذ الم يبادر بالعناية بهم فستظل الحكومة باتفاقاتها مع (النقطة الرابعة) ومع (المنظمة للاغذية والزراعة) . تعمل وتنفق على المشاريع الكبيرة قبل ان تلمس ثمرة عملية عاجلة ـ وقبل ان ترى فائدة محققة لرعاياها حتى تضمن سنوات طويلة تنقضي كلها والحالة كما هي والانتاج على ضعفه وتكون النتيجة عندماتوشك هذه المشاريع على نهايتها ان نجد فجاة ان الفلاحين المواطنين اضعف من ان يستطيعون الافادة منها او مجاراتها لنجد وتكون المشكلة حينذاك ادق واخطر .

ان مليونين دولار تنفقه النقطة الرابعة في (الدرب) (وخليص) .

او الاربعة الملايين الريال . او الخمسين الالف الجنيه التي تقدمت بطلبه من حكومة صاحب الجلاله ايده الله ـ بعثة منظمة التغذية والزراعة .

المبلغ الاول لتأسيس ـ معهد زراعي ـ بجيزان ـ والمبلغ الثاني لاقامة ـ محطة تجارب في جيزان ايضا ـ لايمكن ان تؤدى الى (نهضة زراعية) في البلاد كالتي توديها ـ (الوحدات الزراعية) سالفة الذكر كاجراء عاجل يمهد الطريق ويهيؤ الاذهان ويوجد القرى الى مجموعة المشاريع الكبيرة المرسومه .

انني اعتقد ـ ان مليون واحد من المليونين الدولار المرصودة للمملكة في ميزانية النقطة الرابعة كفيلة بايجاد (الوحدات الزراعية) على نطاق مثمر مفيد .

على ان يستثمر المليون الاخر اضافي .

لهذا الغرض ان وجد حاجة (للزيادة) او في خليص) (وادى فاطمه) اوغيره من المشاريع التي تقرر نتيجة للتفاهم بين جهات الاختصاص الحكومية وممثلي (النقطة الرابعه .)

اما ـ المعهد الزراعي ومحطة تجارب جيزان فلايمكن التحدث عنها ـ او تغير شيء في مصيره قبل ان تتلقى حكومة صاحب الجلالة ايده الله ـ مجموعة التقارير ـ والخرائط والرسومات التي قام بوضعها خبراء (بعثة

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(٣)

المنظمه) نتيجة رحلاتهم الدراسية المتتاليه في جنوب المملكة ـ تهامتها ـ وسراتها .
فلابد لحكومة صاحب الجلالة ايده الله ـ قبل ان تقول كلمتهـا عن المبلغين الضخمة اللذين خصصا ـ لمدرسة ـ ومحطة تجارب ـ في ناحية واحدة من نواحي بلادها الواسعه .
ان تدرس مجموعة تقارير الخبراء ـ لتعرف سلفا الفوائد الزراعية المنشودة .
والمبالغ التي سوف تطالب بانفاقها على تلك المشاريع لتوازن الحكومة ميزانيتها وتختبر حالتها الماليه ـ وتبدأ العمل ضمن رصيدها المخصص لتلك المشاريع في ميزانية الدولة ولقد علمت من الدكتور توتهيل ان المطلوب لها (مائة مليون دولار) ولقد كتبت لبعثة المنظمة اطلب منها تقارير الخبراء ـ وساعرض كل شيء في حينه ان شاء الله .
لقد كان هذا في مقدمة البواعث التي جعلتني اؤكد ضرورة تنسيق روابط العلاقات بين (جهـــة الاختصاص) التي تسطيع ان تمثل وجهات نظر حكومة صاحب الجلالة ايده الله وان توجه وفق ارشاداتكم وتعليماتكم .
وبين (بعثة النقطة الرابعة) و (بعثة منظمة التغذية والزراعة)
ان (الجهة المختصة) هي التي تستطيع بارشاداتكم وبحكم اختصاصها ـ الافادة من جهود ومساعدات هذه البعثات ـ وتعمل بالتعاون معهم على سد كل نواحي النقص والاحتياج كلما كان الى ذلك .
وانني اؤكد من جديد ـ ان هذا هو الطريق الوحيد الصحيح الناجح ـ للوصول الى (الغاية) التي تسعى الحكومة من اجلها وتنفق في سبيلها ـ والرأى لكم .

وتفضلوا بقبول عظيم الاجلال والتوقير "" المدير العام للـــزراعـــه

صورة طبق الاصل :
ع.ز

F-2

Connected to [illegible]

TECHNICAL COOPERATION ADMINISTRATION

TCA Jidda, Saudi Arabia
January 29, 1953.

MEMORANDUM TO: Sadek Bey Husseini, Director,
Liaison Office for Technical
Assistance

RE: Request for Translation and Transmittal of Letter to His Excellency Shaikh Abdullah Sulaiman from Dr. William J. Edens, Chief, Agriculture Division, TCA.

It would be appreciated if you would make arrangements for the translation and transmittal of the attached letter to His Excellency Shaikh Abdullah Sulaiman from Dr. William J. Edens, Chief, Agriculture Division, TCA.

John A. Dunaway
Acting U. S. Director of
Technical Cooperation in
Saudi Arabia

F - 1
F - 2
chron
1 - Edens

Jidda, Saudi Arabia
January 28, 1953

Your Excellency:

At the request of Shaikh Ahmed Obaid, Director General of Agriculture, I am writing (1) to express my opinion concerning his recent proposal to establish agricultural units to assist farmers, and (2) to set forth a plan Point 4 expects to follow in attempting to improve agriculture in Saudi Arabia.

1. I concur with Shaikh Ahmed Obaid in the thought that agricultural production standards are low, and that farmers should do everything economically feasible to improve farm methods and raise their standard of living. Also I subscribe to the proposition that agricultural production is basic to the welfare of Saudi Arabia and that any agricultural improvement effort by the Government should be centered on its citizens who till the soil. It is sound reasoning to propose that the first Governmental assistance program in agriculture be initiated in those areas more representative of farming interests and where the potential training of agricultural leadership is high. Such emphasis would tend to insure local leadership that would successfully carry on an effective farm program after initial stimulation by the Government.

On the other hand, I do not believe it advisable for Saudi Arabia to attempt to bring improvement progress "to farmers in all the areas and districts of the Kingdom at the same time." This is a very worthy thought, but the lack of trained personnel and the large financial outlay required would be limiting factors. Also, it is my opinion that heavy farm equipment should not come into the farming pattern until agricultural specialists and the farmers concerned have studied farm needs closely in their respective communities, or areas, and have decided that such equipment would enable them to produce as much or more at a reduced cost per unit of production. Often times when farm methods are "old, laggard and inefficient," the adoption of improved methods in plant and animal breeding, feeding, selecting wisely, fertilizing, controlling pests and diseases and managing the farm can bring about much higher production with little added expense, and without the use of high cost equipment. Should it be advisable to develop new farm lands

His Excellency Shaikh Abdullah Sulaiman,
Minister of Finance,
Jidda, Saudi Arabia.

of considerable acreage, heavy equipment would be needed for land leveling and layout, and would of necessity become a part of initial investment.

2. The following is a general plan Point 4 expects to follow in an agricultural improvement program.

a. In cooperation with the Saudi Arabian Government, select rural communities, or areas, in which to initiate programs of agricultural improvement.

b. Station Point 4 agricultural technicians and their Saudi Arabian counterparts in areas selected for agricultural improvement. Their objective will be to advise with and teach present and prospective farmers improved farming methods, thereby increasing production and raising the standard of living. Point 4 technicians will supervise and be responsible for all work undertaken, but will be assisted by their Saudi Arabian counterparts.

c. In addition to technicians stationed in the various areas, Point 4 proposes to recruit a staff of specialists in the fields of agronomy (crops), animal industry, soils, entomology, horticulture and farm irrigation. These specialists will be responsible for providing guidance and assistance in each area program by being responsible for planning and supervising needed research, demonstrations, and other specific action programs for the purpose of improving farm practices pertaining to crops, livestock, insect pests and diseases, irrigation and land development. The Saudi Arabian Government will be expected to furnish counterparts to work with the specialists so that later they will be able to conduct such work without the aid of Point 4 technicians. The work of all specialists will be in cooperation with the technicians stationed in the areas.

d. An experimental and demonstration plot of land will be established in appropriate areas where a modest program of experimentation will be conducted to determine the more desirable types and varieties of crops for farmers in the respective areas. Also this plot of land will be used for appropriate agricultural demonstrations. The local or central Government will be expected to provide the small acreage of land required for such plots.

e. Since agricultural improvement programs will be a joint and cooperative effort by the SAG and Point 4, equipment and materials necessary to the effectiveness of Point 4 technicians' work in the various areas will be supplied by the Saudi Arabian Government and Point 4 according to provisions of project agreements, which will be effected to meet the needs of designated communities, areas, or specific action programs.

f. In addition to this community, or area, approach to the improvement of agriculture in Saudi Arabia, it is the purpose of Point 4:

(1) To foster the improvement of Governmental services to agricultural producers by assisting in the development of a strong Department of Agriculture which will place increased emphasis on agricultural research and extension work.

(2) To develop greater confidence on the part of farmers of Saudi Arabia in the services which their Government will provide.

(3) Furnish technical assistance to the Government in establishing on-job training for farmers in major farm enterprises, and in organizing elementary agriculture instruction.

(4) To encourage the development of new farm lands where sufficient water is available, and where such development appears economically feasible.

(5) To provide technical assistance to the Government in the development of a farm marketing program.

As Chief of the Point 4 Agriculture Division, I am looking forward to cooperating with you and the Director General of Agriculture in carrying forward a program of work as herewith stated.

Sincerely yours,

William J. Edens, Chief,
Agriculture Division.

JADunaway
TCA:WJEdens,pm

FILE COPIES
F- 1 (original)
F - 2
chron
1 - Edens

UNITED STATES OF AMERICA
TECHNICAL COOPERATION ADMINISTRATION

Jidda, Saudi Arabia
January 25, 1953

MEMORANDUM TO: Mr. John A. Dunaway
Acting U. S. Director of Technical
Cooperation in Saudi Arabia

FROM: William J. Edens, Chief
Agriculture Division

RE: Letter to HE Shaikh Abdullah Sulaiman,
Minister of Finance

As you will recall, Shaikh Ahmed Obaid, Director General of Agriculture, requested me (1) to set forth in writing my opinion concerning his proposal to establish agricultural units to assist farmers, and (2) to set forth a plan Point 4 expects to follow in attempting to improve agriculture in Saudi Arabia.

You will note that this letter has been addressed to HE Shaikah Abdullah Sulaiman, Finance Minister, instead of to Shaikh Ahmed Obaid as per your request. I should appreciate your opinion of this rough draft at your earliest convenience, for I feel that more specific information to the Saudis pertaining to our general procedure of an agricultural improvement program is important at this time.

SEE TECHNICAL ASSISTANCE BOARD FILE (FAO)

FOR AGREEMENT SUMMARY BETWEEN TAB/FAO AND SAUDI ARABIA 1/52.

WHEREBY SAG IS REQUESTED TO PROVIDE FOOD, ETC.

(d)(ii)

SEE LEGAL FORMS FOR AGREEMENTS FILE - GLICK FORMS

COPY

Agreements - Comments
Correspondence
Background

Jidda, Saudi Arabia
November 16, 1952

MEMORANDUM TO: Sadek Bey Husseini
Director, Liaison Office
Technical Cooperation - Saudi Arabian Government

FROM: Edward Betzig
Acting U.S. Country Director
of Technical Cooperation
in Saudi Arabia

RE: Housing Accommodations for Railway
Survey Project Manager and Technicians

In accordance with the terms of the Railway Survey Project Agreement and the Aerial Survey Project Agreement, it is requested that your office make the necessary arrangements to provide quarters for the contract personnel assigned to these projects.

The railway contract employees will be working between Jidda and Riyadh and will need quarters in these cities whenever not working in the field. The Aerial Survey employees will be stationed at Jidda during the period of this work and will need quarters for approximately seven (7) men.

It is also requested that an apartment be reserved in the apartment house now being constructed on the Baker Compound. This apartment is to be used by Mr. Charles Buck, Project Manager.

It is believed that these arrangements have to be made through the Finance Ministry. Your cooperation in this respect is most appreciated.

Translat

KINGDOM OF SAUDI ARABIA
Ministry of Finance
Office of the Minister

#1198
Safar 23, 1372
November 11,52

His Excellency, Mr. Raymond Hare
The Ambassador of the United States of America - Jidda.

Greetings:

With reference to the Railway Survey Agreement signed by myself, your excellency and Dr. Stratton, and to your oral assurances in the course of the meeting held between you and the Deputy Minister of Finance, in Jidda on Thursday, the 18th Safar, 1372 to the effect that the total share of the Saudi Arabian Government of this project should not exceed $27,000.

I have the pleasure to explain, in this regard, that as I understand them paragraphs two and three of Article three of the "Railway Survey Agreement" the total share of the Saudi Arabian Government in addition to $27,000 to which we undertake to ~~supply~~ prepare (- make available) an airplane for reconaissance flights and to render all the necessary facilities to the contractor and technicians which will enable them to buy their foodstuffs from "Baker Canteen" and that their laundry and the repair of their equipment be done at "Bakers workshops" in Jidda and Riyadh in accordance with the fixed rates.

If my interpretation as mentioned above, is correct, I shall be obliged if you will confirm it and consider this letter and your reply thereto as amendment to the "Railway Survey Agreement"

With best regards.

Ministry of Finance
(Signed) Abdullah Suleiman

copy to: Deputy Minister of Finance
Liaison Officer for Technical Assistance.

COPY

TRANSLATION

KINGDOM OF SAUDI ARABIA
Ministry of Finance
Office of the Minister

#1198
Safar 23, 1372
November 11,1952

His Excellency, Mr. Raymond Hare
The Ambassador of the United States of America
Jidda

Greetings:

With reference to the Railway Survey Agreement signed by myself, your excellency and Dr. Stratton, and to your oral assurances in the course of the meeting held between you and the Deputy Minister of Finance, in Jidda on Thursday, the 18th Safar, 1372 to the effect that the total share of the Saudi Arabian Government of this project should not exceed $27,000. I have the pleasure to explain, in this regard, that as I understand these paragraphs two and three of Article three of the "Railway Survey Agreement" the total share of the Saudi Arabian Government is $27,000 in addition to which we undertake to make available an airplane for reconnaissance flights and to render all the necessary facilities to the contractor and technicians which will enable them to buy their foodstuffs from "Baker Cantoen" and that their laundry and the repair of their equipment be done at "Bakers workshops" in Jidda and Riyadh in accordance with the fixed rates.

If my interpretation as mentioned above, is correct, I shall be obliged if you will confirm it and consider this letter and your reply thereto as amendment to the "Railway Survey Agreement"

With best regards,

Ministry of Finance

/s/ Abdullah Suleiman

copy to: Deputy Minister of Finance
Liaison Officer for Technical Assistance

KINGDOM OF SAUDI ARABIA
Ministry of Finace
Office of the Minister

1198
Safar 23, 1372
November 11,52

Arabic original returned to Ambassador E Betzig 12/17/52

HE Mr Raymond A. Hare
US Ambassador - Jidda.

Greetings:

With reference to the Railroad Surveying Agreement signed by me, Your Excellency and Dr. Stratton, and to the verbal assurances made during your conversation with the Deputy Finance Minister in Jidda on Thursday, Safar 18, 1372 regarding the point that the total amount which the Saudi Arabian Government will pay for this project will not be more than twenty seven thousand dollars,

It is my pleasure to clarify ~~that~~ my understanding that, with reference to the second and third paragraphs of article 3 of the Railroad Surveying Agreement, His Majesty's Government's responsibility regarding is being stated in the abovementioned paragraphs will be the total twenty seven thousand US dollars. In addition to that amount, the Government will undertake the preparation of the aircraft for aerial surveying, necessary facilities for the contractor and technicians to buy their food from the Baker canteen, to wash their laundry and to repair their equipments in Baker's workshops at Jidda and Riyadh at the Baker fixed prices therefor.

If the foregoing is correct, please confirm with the understanding that this letter and your reply will form supplementar documents to the Railroad Surveying Agreement. Accept my regards.

Minister of Finance,

(Sig) Abdullah el Sulaiman.

MIM

Agreements
Comments:

X Rly Survey

UNITED STATES OF AMERICA
TECHNICAL COOPERATION ADMINISTRATION

Jidda, Saudi Arabia

November 6, 1952.
Thursday

MEMORANDUM FOR FILES

DICTATED BY SAMUEL S. STRATTON SSS

RE: RAILWAY SURVEY

At 8:30 this morning, Mr. Husseini called to report a message from the Finance Minister in Riyadh. The Finance Minister stated that the Railway Survey Agreement asked the SAG to provide housing and food for certain personnel. He also stated that the survey requested SAG to provide planes for a certain amount of aerial reconnaisance. Apparently the Finance Minister believed that the U. S. Government should provide these facilities.

I pointed out that the Railway Survey in the form now written had been in the hands of the Finance Minister since the middle of July. The agreement had been discussed many times and was discussed with the Finance Minister by Mr. Hare after I had left for the United States. The Ambassador reported by telegram that SAG had agreed to the provisions we had suggested.

I returned to Jidda in late August, and soon after my return again discussed the Railway Survey with the Finance Minister. At that time he asked for further clarification on "the first 50 miles." At his request, I wrote him a note clarifying that phrase.

At this time all agreements were held up by the Finance Minister pending a decision by the SAG as to whether or not they would cancel the General Agreement. After many discussions, in late October we were informed orally that SAG would sign all program and project agreements. There had been no discussion of the Railway Survey agreement since early September.

Mr. Husseini said that the Deputy Finance Minister would like to meet with the Ambassador and Country Director today to clarify the situation with regard to the Railway Survey.Agreement.

7.10

MEMORANDUM

October 27, 1952

TO: Dr. S. S. Stratton

FROM: Sadek Husseini

I have been officially informed by officials of the Saudi Arabian Government that the Point IV Program has been approved.

The Saudi Arabian Government wishes the Technical Cooperation Administration to proceed with recruitment and preparation of plans for implementation of the Railroad and Aerial Surveys and the Community Development Project, pending signature of these agreements and also of the Program Agreements in Agriculture, Health, Education, Natural Resources and Transportation and Communication.

This memorandum is written to confirm my verbal statement to you concerning the Point IV Program.

Sadek Husseini

COPY

Comments on Agreement

Jidda, Saudi Arabia

October 23, 1952.

MEMORANDUM FOR FILES
Dictated by Samuel S. Stratton

RE: Meeting, October 22, 1952, 3:15 P.M., with Sulaiman Hamad, Deputy Finance Minister; Present: Brown, Edens, Husseini, Stratton, Deputy Finance Minister Suliaman Hamad
Husseini interpreting

After the usual formalities, I pointed out that the purpose of the meeting was to present suggestions to the SAG for a community development program, and to propose several regions as possible sites for such developments. I then reviewed very briefly the discussions with the Finance Minister which led up to the proposal that we should jointly embark upon a community development Project with the U.S. providing $500,000 exclusive of the cost of the technicians and the SAG providing $500,000 or its equivalent in equipment or services.

At this point, I asked Dr. Brown to describe the regions we had in mind and discuss the advantages and disadvantages in each case. He spread out the aerial photographs on the floor. The SAG officials asked many questions and were very much interested in the photographs and added much information of their own in regard to the areas under discussion. There were several questions as to why we had chosen to present these particular areas. I made it clear that we would welcome from the SAG suggestions for work in other areas that they might select, that we had chosen the areas presented partly because they had already been photographed and explored by the Natural Resources Division and partly because of their accessibility to Jidda. I also pointed out that I had felt that in the areas we presented more could be done with the money available and in a shorter time than in certain other regions to which we had given consideration.

~~Of the regions~~

Of the regions we discussed, the SAG officials indicated the desirability of undertaking community projects at Wadi Itwad, Asir and Wadi Kulais, Hejaz.

The Deputy Finance Minister then said he would like to ask me a few questions and would like definite answers to the questions. He asked first how we would go about starting work in these communities. I replied that the Natural Resources group would move directly to the community with proper equipment and would start drilling wells at sites which had already been selected by them, and that at the same time Dr. Edens would send in agricultural technicians to study existing agricultural conditions and discuss ways and means for crop improvements with local officials and with their permission to have technicians work directly with the farmers in the area. In one of the areas preferred by the SAG, it was pointed out that a great many cattle were produced but that the breed badly needed improvement. I replied that we could send to such a community an expert in animal husbandry.

I pointed out further that it would be our intention as soon as possible to send into these communities a public health team and that this team would be equipped not only for preventative measures in malarial control, but would plan to set up a clinic for examination of the people and for treatment of diseases. The SAG officials agreed that there was great need both for malaria control and improvement in sanitation, and for treatment of disease.

The remaining questions had to do with how much such projects would cost, how they would be paid for, whether the U.S. would furnish funds for continuation of projects initiated, and other detailed questions with regard to the financing of the program and its size.

I answered these questions first by pointing out that TCA offered to the SAG for this fiscal year the following:

(1) a railroad survey at a cost to TCA of $350,000;
(2) an aerial photography project at a cost to TCA of $120,000;
(3) equipment for schools in Jidda at a cost to TCA of $20,000; and
(4) contributions to community development at a cost to TCA of $500,000.

I pointed out that this represented a contribution of nearly one million dollars which was in a sense a cash contribution to the SAG, and that in addition to this approximate million dollar cash contribution, we plan to give them the services of perhaps 40 technicians and that we were prepared to pay not only the cost of the salaries of these technicians but to pay for the cost of their housing in Saudi Arabia.

The Deputy Finance Minister asked if this would be the full extent of the TCA program for this year. I replied that it was the program I had been authorized to present to them and to the best of my knowledge would not be expanded for '53.

I further pointed out that in the months remaining in this Fiscal Year it was extremely doubtful if we could embark on and obligate funds for a larger program than this, even if a larger program had been authorized.

I urged the need for an early decision by the SAG and the immediate signing of agreements so that we might get our program underway as rapidly as possible.

The Deputy Finance Minister said he would report our proposals and my discussion of the total program - costs, etc. - to the Finance Minister and he felt that he would get some decision in the near future.

COPY

171

October 3, 1952

Agreements
Info & Comments

Am Embassy

Dept. concurs letters should state TCA to assume reponsibility for cost all American personnel.

Program and Project agreements in operation may be amended to conform to paragraph 3 Deptel 133.

Acheson

File
Correspondence, copy
TCA Program
Agreements

UNITED STATES OF AMERICA
TECHNICAL COOPERATION ADMINISTRATION
Jidda, Saudi Arabia

October 1, 1952.

MEMORANDUM TO: Sadek Bey Husseini

FROM: Dr. Samuel S. Stratton

RE: Program Agreements for Agriculture
Education
Public Health
Transportation and Communication

I am returning to you Arabic translations of the following program agreements:

Agriculture
Education
Public Health and Disease Control
Transportation and Communication

You will please make the following amendments to these agreements:

(1) the final sentence of Paragraph A of Article III shall be amended to read:

The Government of the United States of America will pay the salaries and allowances of this personnel, cost of their travel and transportation of their personal effects to Saudi Arabia and return in accordance with the Laws and Regulations of the United States of America, and unless otherwise specified in project agreements the cost of suitable housing in Saudi Arabia. In addition the Government of the United States of America will furnish this personnel with surface transportation within Saudi Arabia.

(2) Article IV should be made to read:

The Government of Saudi Arabia shall contribute a fair share of the cost of this program to be mutually agreed to in subsequent project agreements entered into between the Government of the United States of America and the Government of Saudi Arabia.

Enclosures

FILE

Agreements
Correspondence

UNITED STATES OF AMERICA
TECHNICAL COOPERATION ADMINISTRATION

MEMO FOR THE FILES

DICTATED BY DR. SAMUEL S. STRATTON

Re: Partial Summary of Conversation with Najib Bey Salha, September 18,1952

I indicated to Najib Bey Salha that the SAG had available to them the following choices:

1) We could go forward with the railroad survey and the general FY-53 program as originally planned but without the $500,000 capital assistance project. We could, furthermore, have it understood that TCA would pay for housing costs of technicians provided the SAG paid its "fair share" in some other way.

2) We could go on as described above with the addition of the Asir development program on a $500,000 matching basis, or

3) SAG could with proper notice cancel the General Agreement and all activities which stem from that agreement.

cc: Embassy

File - Program Agreements

MEMORANDUM DICTATED BY SAMUEL S. STRATTON
9-30-52
Re: Agreements

Proposed changes for program agreements now under negotiation:

Final sentence of Paragraph A of Article 3 shall be amended to read:

The Government of the United States of America will pay the salaries and allowances of this personnel, cost of their travel and transportation of their personal effects to Saudi Arabia and return in accordance with the Laws and Regs of the United States of America, and unless otherwise specified in project agreements the cost of suitable housing in Saudi Arabia. In addition the Government of the United States of America will furnish this personnel with surface transportation within Saudi Arabia.

Article 4 should be made to read:

The Government of Saudi Arabia shall contribute a fair share of the cost of this program to be mutually agreed to in subsequent project agreements entered into between the Government of the United States of America and the Government of Saudi Arabia.

Original file

Copy to Comments Washington

No. 2716
27/12/71 (September 17, 1952) Sept 9-21-52

The Respected Mr. Stratton,
U. S. Director of Technical Cooperation in Saudi Arabia

Greetings,

I received your memorandum of September 13, 1952, confirming our discussion on that date of the points it clarifies and which I would like to answer according to their order.

1. We discussed together the agreement with regard to the railroad survey from Riyadh to Hedjaz and we told you that Mr. Buck has written us a letter stating that the surveying work which his company is going to undertake shall be so complete (detailed) as to allow the Saudi Arabian Government to call for bids on construction of the proposed railroad. We also mentioned to you that Mr. Buck's letter is insufficient due to the fact that the agreement with regard to the undertaking of this survey at the expense of Point Four is between T.C.A. in Saudi Arabia and the Saudi Arabian Government. For this reason a letter similar to Mr. Buck's must be submitted to the Government from the Technical Cooperation Administration or an amendment of the article referring to this item should be made in the agreement submitted by you to the Government.

I also received your letter dated September 13, 1952, which confirms Mr. Buck's letter. I have submitted it to H.E. the Minister of Finance who ordered that the discussion of this agreement be postponed two weeks until His Excellency has consulted with the higher authorities and has gotten a reply thereto.

2. We are doing our best to complete the houses on the compound designed to house some of the Point Four staff.

3. The Ministry of Finance shall pay hotel expenses of Point Four personnel now living at the Gardens Hotel. We remarked to you, however, that it would be appreciated if you try your best to accommodate the mentioned personnel in the houses that you - as we understood from you - have rented for this purpose and that the rents of which shall be paid from the funds of Point Four.

4. We agreed that a meeting between the Saudi Government officials and the experts of Point Four and those of the Food and Agricultural Organization is to be held toward the end of September or the beginning of October with a view to discuss the program concerning the development of irrigation and agriculture in Asir district. We also understood from you that the United States Government is willing to contribute $500,000 (five hundred thousand dollars) in cash exclusive of the salaries of technicians required for the project, provided that the Saudi Arab Government would contribute an equivalent sum in Saudi Riyals.

Please accept my highest respects.

Sincerely yours,

Assistant Deputy Finance Minister

FILE - SA -

Jidda, Saudi Arabia

September 13, 1952.

Your Excellency:

In confirmation of our discussion at your home this morning, it is my understanding that we reached agreement on the following matters:

1. That the Saudi Arabian Government is prepared to sign the agreement with regard to the railroad survey on receipt of a letter from me as Point Four Country Director identical with the letter written to Your Excellency by Mr. Charles Buck.

2. That Your Excellency will make every effort to expedite the completion of houses on the compound, including proper electrical connections.

3. That the Saudi Arabian Government will pay hotel expenses of Point Four personnel now living in the Gardens Hotel, and that Mr. Edens, Agriculture, Mr. Ferguson, Public Health, and Mr. Dolley, Education, may be authorized by me to arrive in Jidda toward the end of September with the understanding that the Saudi Arabian Government will pay their hotel expenses until such time as houses or apartments are available for them. It was further understood that Mr. Sinclair, Transportation and Communications, may move immediately to the Gardens Hotel and that his expenses there will be assumed by the Saudi Arabian Government.

4. That as soon as Dr. Brown and the three experts mentioned above are in Jidda, we will initiate discussions with Saudi Arabian Government officials looking forward to a developmental program in the Asir.

It is

It is the understanding that if the project is agreed upon, the United States Government, through Point Four, would contribute $500,000 (Five hundred thousand dollars) exclusive of the salaries of United States technicians, provided the Saudi Arabian Government would contribute an equivalent sum in Riyals.

I would appreciate being informed if I am not correct in my understanding of our conversation of this morning.

Accept, Excellency, the renewed assurances of my highest consideration.

Very truly yours,

Samuel S. Stratton
U. S. Director of Technical
Cooperation in Saudi Arabia

His Excellency,
Najib Bey Salha,
Jidda, Saudi Arabia

Shown to Embassy
By SSS 9-29-52
LS

Jid - SA
Organization

Jidda, Saudi Arabia

September 13, 1952.

Your Excellency:

On the basis of a written statement transmitted by Mr. Charles E. Buck to me, you can be assured that the proposal submitted by International Engineering Co. to the Technical Cooperation Administration for making a railroad survey from Riyadh to Jeddah is based on developing sufficient information in way of plans and specifications to allow the Saudi Arab Government to call for bids on construction of the proposed railroad.

Accept, Excellency, the renewed assurances of my highest consideration.

Very truly yours,

Samuel S. Stratton
U. S. Director of Technical
Cooperation in Saudi Arabia

His Excellency,
Najib Bey Salha,
Jidda, Saudi Arabia

المملكة العربية السعودية
وزارة المالية
عدد

Dear Mr Stratton,

If you are not too busy I would like to see you at my house for a few minutes.

Yours sincerely

N. Zalkh

September 14, 1952

JTL-1

Dr. Stratton, Director
Technical Cooperation
Administration
Jeddah, Saudi Arabia

Dear Dr. Stratton:

The proposal submitted by International Engineering Co. to the Technical Cooperation Administration, for making a railroad survey from Riyadh to Jeddah, is based on developing sufficent information in way of plans and specifications to allow the Saudi Arab Government to call for bids on construction of the proposed railroad.

Yours very truly

C.E. Buck

Comments on agreements

May 5, 1953

SECSTATE

853

CONFIDENTIAL

TOTEC

See Dept cables 615 4/30 & 825 4/25

Interpretation not in accord our understanding intent of agreement nor of SAG/TCA officials who negotiated it (See Stratton Sept 13 letter to Asst Depminfin and his reply 2716). Fact is that Asir project was developed specifically to meet Saudi threat to cancel all TCA activity here on ground of its inadequacy and concentration on technical advice as compared more generous allotments in neighboring states and use therein of TCA funds for materials and other non-technical purposes. In other words project was intended to show increased interest in Saudi Arabia by (1) expansion of program and (2) giving assistance of quasi-developmental character.

No objection foreseen by SAG to contracting technicians but believe to use this as device to reduce TCA total contribution by cost salaries housing transportation would impugn good faith of USA. If compelling legal or other reasons exist for proposed interpretation request TCA/W incorporate in text communication to SAG and be prepared for unfavorable reaction.

HARE

JADunaway/RAHare/wbg

RESTRICTED

INCOMING TELEGRAM
FROM SECSTATE WASHINGTON

April 22, 1953

NOSEC TOTEC

599

TCA/W prepared contract with private organization or foundation such as Near East Foundation which will assume responsibility under direction of Country Director of organization and development of Asir project. This appears to be only method to promptly staff and develop project. Contractor will not be sectarian and will supply technicians of sufficient experience and background as to be acceptable to SAG and Point 4 Mission. TCA/W recommends team of not less than five men estimated cost per man not to exceed $20,000. If funds are available and foundation able, would be desirable to recruit two teams. Supply obligation number in amount of $200,000.

SMITH

TCA DISTRIBUTION:

f-1
f-2
CHRON III

RESTRICTED

FROM: SECSTATE WASHINGTON April 30, 1953

615

NOSEC TOTEC

Regarding your 825.

Preliminary discussion held with Near East Foundation for furnishing teams for Asir Project. Article 3B and C authorizes procurement personal services by contract if two countries agree. Article 3A refers to technicians employed by US as members of Country Mission. TCA/SA should approach SAG for agreement to use funds contributed Article 3B and C for this purpose.

DULLES

TCA DISTRIBUTION:
f-1
f-2
f-3
CHRON III

Pending
Correspondence on Agreements

Jidda, Saudi Arabia

July 31, 1952.

MEMORANDUM TO: Sadek Bey Husseini, Director,
Liaison Office, Technical Assistance

FROM: Mr. Edward Betzig

RE: Revised Drafts of Program Agreements in
Agriculture, Education, and Health

Attached to this note are revised drafts of program agreements in Agriculture, Education, and Health. I would appreciate it if you would have these translated and then submit them to the appropriate officials of the Saudi Arabian Government for review and approval.

I know that you realize the urgency of this matter.

I wish to thank you for your generous cooperation.

Edward Betzig
Assistant Program Officer

EB/1
Attach. (3)

WASHINGTON
Folder

Agreements
Committee.

July 29, 1952.

Sam,

These sound satisfactory as far as they go but, of course, there will be a lot to be spelled out in the subsequent project agreements. My only specific comments are:

1) Arrangement may have to be made for signing at different places since it is unusual to have the Ministers of Finance and Foreign Affairs here at the same time. We might therefore to have

alternative drafting of the final two paragraphs for use if necessary to meet this contingency.

2. If the agreement, rather than note form is used, the question of translation is raised. My suggestion would be that both parties sign in both English and Arabic so as to avoid raising the question of which language controls. However, this point should be cleared.

Ray

Chapt 11 P 2 For. Ser. Regulats

Signing in two languages

DRAFT

June 21, 1952
DRAFT

PROGRAM

Following is a summary of the status of Point 4 programs at this date:

I. General agreement, dated January 17, 1951.
(entitled: Point Four General Agreement for Technical Cooperation Between the United States of America and Saudi Arabia)

II. Finance agreement, dated September 25, 1951.
(entitled: Point Four Project Agreement Between the United States of America and the Government of Saudi Arabia in the Fields of Finance and Customs)

III. Agreement based on exchange of letters of March 16 and April 28. In this agreement, the Saudi Arabian Government asks for technical assistance in certain areas and the United States accepts these requests in principle. The areas are:

1. Natural Resources Development
2. Agriculture
3. Communications
4. Aerial Mapping

The above agreement also includes extension of technical assistance in Natural Resources and Public Administration and Government Services (Finance)

IV. Agreement based on exchange of letters of April 22, May 7, and May 10. In this agreement, the Saudi Arabian Government asks for technical assistance in certain areas and the United States accepts these requests in principle. Areas are Education and Health.

V. Summarization

1. Project Agreement for Agriculture

Copy of a proposed agreement for Agriculture has been sent by pouch to the Department, Washington, and at the same time a copy has been forwarded to the Saudi Arabian Government. As of this writing, no word has been received from Washington with regard to this project agreement.

2. Project Agreement for Health

Status same as for Agriculture

3. Project Agreement for Education

Status same as for Agriculture

4. Transportation and Communication

5. Natural Resources

Project agreements as of this date have not been drawn up for Transportation and Communication nor Natural Resources nor for the Railroad Survey.

Drafts have been prepared for Natural Resources and for Transportation and Communication, but since they follow closely the project agreements described above, it did not seem wise to submit them to Washington nor the Saudi Government until we have comments on project agreements already submitted.

Authorization

With regard to authorization for recruitment and obligation of funds, it is my interpretation that the exchange of letters mentioned under III and IV above constitute valid agreements and justify recruitment and obligation of funds.

Per Fryer letter of June 4, 1952 RE AGREEMENTS

"I am in complete agreement with the suggestion in your May 3 letter that legal agreements on Programs and Projects be signed by representatives of both Governments. Program agreements should be signed by the Ambassador and the Foreign Minister. Project agreements under the Programs should be signed by the Director and the Minister concerned. As it is now we must process (1) The General Agreement (2) Program Agreements and (3) Project Agreements before we can act legally. However, pro tem notes of agreement can serve to make fast action possible on initiating a project."

PROGRAM AND PROJECT AGREEMENTS: It is my feeling that i the future these should not be based on an exchange of letter but upon legal agreements signed by representatives of both Governments. RESTRICTED LTR TO DR. HART 5-3-52

File: AGREEMENTS -GEN.

May 28, 1952

QUESTIONS CONCERNING SURVEYS

AERIAL SURVEY

1) Must decide extent.
2) How tie needs of mineral-railroad-water survey together?
3) Will aerial survey be separate contract?
4) Must decide contributions US-SAG.
5) Must decide how allocate US contribution amongst railroad project, natural resources, possibly agriculture, budgets - or will US contribution appear entirely as part of railway budget?
6) See what decided minimum photography needed, and on that basis get estimate of square miles. According to Brown cable, aerial photography costs 3.75 each square mile.
7) Cable from DC inquires concerning contemplated aerial photography budget for mineral railroad survey. Does Washington think in terms of separate aerial contract and separate agreement with SAG?

MOSAICS

1) Cable sites 120,000 dollars for mosaic compliatio for two-year water project. Must decide amount mosaics needed mineral, railroad, agriculture programs.

2) Will cost of mosaics be divided amongst several budgets? Cost estimate mosaics 1.12 per square mile.

3) If above figure is in natural resources budget what is estimated total natural resources budget?

STRIP PHOTOGRAPHY

1) Must decide whether strip photography will be borne and thus part of winning engineer bid - either done directly by them but subcontracted.

(Continued)

ROUTES

1) Washington cable refers SE Gildea route.
2) Gildea detail report mentions North route - originally King's first choice.
3) MinFinance letter wants to know what is best route.

KINDS OF CONTRACTS AND AGREEMENTS

1) Possibly might need the following:
   a) Aerial photo contract
   b) Project agreement with SAG covering photography.

2) Engineering contract for railroad survey and agreement SAG-US for survey

3) Mineral survey separate or under projected natural resources agreement.

.....Under all of these agreements, must decide on obligations, rights, monetary and other contributions.

JOINT FUNDS

This might be a way to handle railroad agreement.

AGREEMENTS (LTR. TO DR. HART - APRIL 22, 1952)

AGREEMENTS

The Embassy has notified me of the response concerning Washington's approval of the SAG requests. I know that Dr. Stratton will be most interested to receive this reply and I am certain that you will be hearing in greater detail from him immediately. He and the Ambassador are planning a trip to Yemen soon which it is hoped will be productive of understanding with that country.

. . . . . .

(See separate page for continuation this letter, PROGRAM - Projects, Health, Agriculture

Important

C
O of Copy
P
Y

EXECUTIVE OFFICE OF THE PRESIDENT
Office of the Director of Mutual Security
Washington 25, D.C.

January 30, 1952

MEMORANDUM FOR: Mr. Jonathan Bingham
Technical Cooperation Administration

Subject: Project Agreements in Relation to Program Approvals

I know that you understand, and that members of your staff understand, that projects are not to be finally agreed to at the country level by your local TCA Director in an amount which in the aggregate exceeds, or in a composition which is substantially different from, programs, which have previously been approved for the particular country by you and the Director for Mutual Security. On the other hand, I am not clear, particularly as a result of certain remarks made by Ambassador Bowles, that this is fully understood by field personnel. They may be under the impression, as I believe Ambassador Bowles may still be, that without any program approvals in Washington, they are free in each country to enter into project agreements up to the theoretical ceiling amount for that country or the maximum amount specified in the Point IV Agreement with such country. I bring this to your attention for any action you may think is appropriate, since I do not believe that you, your division directors or this office should be placed in the position of being forced to give retroactive approval to programs which are composed of projects to which the United States has already become committed by local action. [Moreover, apportionments by the Bureau of the Budget normally are predicated on previously approved programs, and the commitment of U.S. funds to a project prior to the apportionment of funds which are adequate to cover such project is a bad practice, very much disapproved by the Bureau of the Budget, and contrary to the provisions of the Anti-Deficiency Act.]

Implications re Budget

/s/ John Ohly
for Lincoln Gordon
Assistant Director for Program

Agreement

1. Office Memo - No 18 - Aug 24 '51
'Securing Duplicate Copies of TCA Agreements After Signature'

(in Budget Folder)

2. OFFice Memo - #17 - Aug 7, 1951
'Project Authorization Procedure.

3. Orion cable to: 'Your Royal Highness'
referring to general agreement for Tech Corp & Sa
signed on Jan 17, 1951 & amended by letters
on Jan 8, 1952 & referring to initiation of such
a project. — ~~Sign~~ Ans. Embassy
~~Delimiting cost of project~~ Addis - March 9, 1952

in ad. folder

4. Feb 9 - letter Young to Hoist - states no formal
agreement exists between Bra - Saes - & re Fem Agent
also re FAO agreement with Saes —

Program Agreement

Hart - Cable 486 - from J. - says Program Ag. negotiated - '52 - '53 would be the same

this would simply need to get down to Project Agreement

Slick

Ways to Handle Program Agreement

1.) Single Document for whole program say for Agriculture, Economic, Mining etc.

2.) Or a series for Agri, eco, health etc

Depends on how SA wants to organize program. If one man will handle whole program then 1 document would be sufficient

If we work with Min. of Agri, Finance etc then several agreements would be necessary.

Program Agreement provide in overall way what to be done - sums to be spent etc.

Slick Reviewed Project Agreement Forms. - Tricky due to particular language pertaining to specific situations. —

Slick suggests:

1. Prepare description of program to be carried out - by projects - Rough out in layman language an agreement. Breakdown into major projects - cost - where - how etc.

Director of TCA - SA ' Purpose of Project is

Program Agreement (2)

covering the particular project. Indicating what SAG will do & what USA will do. Send this into Glick - TCA Home Office will work over & send back to S.A. Such a document might become basis of future - subsequent project agreements. -

As the program agreement (~~this not clear here if reference is [illegible] to usual program agreement or to SA Program Ag~~) - is very brief - probably some of the provisions ordinarily in most program agreements, would have to be included in the project agreements.

Glick & Hart approval

The basic difference between SA program & most other programs is that US won't be making any major contributions in supplies, materials, money etc. Actual funds, etc, will have to be contributed by SA Govt. -

Glick's view towards R.R. Survey was that we would help SAG get needed engineers but that they would pay for salaries of these engineers -

We would pay administrative expenses of the technicians -

Program funds can be used for both supplies & technicians - But in SA. we provide only technicians. Thus in RR case survey would be paid for by SA - But on a smaller project survey

Program Agreement (3)

not a technician expenditure. S.A. would pay fee to contract engineers — Survey falls on border line between Technician & Program Expense. Suggested idea of reconnaissance survey.

Which would concentrate program on basic essentials:

1. Agriculture (Exp. Stations, Extension Service etc)
2. Public Health
3. Rural, Elementary & Voc. Education
4. Transportation

→ that is - Public Ed. & Wat Service

6. Nat. Resources.

Re Recruiting - Ought to be done 6 mos. ahead. — Requirements: need to plan to get men in time for season. —

Need for weekly Reports —

TCA Lawyer — stationed in Iran - Clark S. Gregory - would be available for S.A. consultation - If so can subsidize - Iran needs legal help. — Let Check Iran —

Check Views

Program

, Industrial School - Jidda

— Establishment of School for training of farm managers + K-10 (letter 24 March 1952 - H. Folder) —

also —

— Supreme Jidda group — Terhune (Tan mentioned this matter)

— Need for over-all survey of transport needs —

Report re S.A.El. + proposed commercial school by Abu Syzedin — noted in a.y. letter Feb 6, 1952 —

Malaria control — also — trachoma - TB — V.D. — mal-nutrition

Agri Ext. — Training in med. & health techniques —
(See Hartnelport — Dec 10, 1951 —)

١٢ مارس ١٩٥٢

الأنورابل رايموند أ٠ هيـــــر

السفير الاميركـــــــي

جـده ـ البلاد العربيـة السعودية

عزيزى السفير ،

أتشرف بأن أشير الي خطابي بهذا التاريخ المتضمن طلب مساعدة حكومـــة الولايات المتحدة في تنفيذ برنامج المساعدة الفنيـة خلال السنة المالية الجارية التـــي تنتهي في ٣٠ جـون ١٩٥٢ وأطلب استمرار وتحسين هذا البرنامج خلال السنة الماليـة الاميركيـــة التي تنتهي في ٣٠ جـــون ١٩٥٣ ٠

السفارة الاميركيـــة ـ جـده

البلاد العربية السعودية

١٣ مارس ١٩٥٢

الانورابل رايموند أ٠ هيـــــر

السفير الاميركـــي

جـده ـ البلاد العربية السعودية

عزيزى السفير ،

طبقا لاتفاقية ١٧ يناير ١٩٥٢ أتشرف بأن أطلب مساعدة حكومة الولايات المتحـــدة لتنفيذ برنامج المساعدة الفنية الآتي بيانه وذلك خلال السنة الاميركية الحالية التي تنتهـــي في ٣٠ جـــون ١٩٥٢ ٠ـ

١ـ المساعدة في تمديد وتوسيع الخدمات الصحية العامة الحالية وعمليات مكافحـــة الامراض وعلي الاخص الملاريا والتراخوما والسل وفي تعميم وتأسيس المراكز الصحية بما في ذلك مستشفي واحد أو اكثر ومختبر صحي عام وفي الشروع في برامج للتدريب بواسطة التعليم الصحـــي للافراد والجماعات والممرضات ورجال الصحة والمساعدين الصحيين المتهنين والقيام برحلـــة استطلاعية واستقصاء لما تحتاجه الصحة العامة لاستعمال ذلك كدليل واساس لتحسين ما ذكـــر اعلاه ٠

٢ـ التدريب الصناعـي ٠ـ تحسين وتوسيع المدارس الصناعية المهنيـة والتجاريـــة وتأسيسها واستمرار عملهـــا ٠

٣ـ القيام بدراسة عامة للحالة الثقافية التعليميـة مع الأخذ بعين الاعتبار تقديـــم برنامج منسق لأعداد الطلاب لاشغال الوظائف والاعمال الزراعية والتجارية ولا بد من ان يتضمـــن هذا البرنامج اعداد قسم من الطلاب لاختيارهم ولتدريبهم تدريبا فنيا في الجامعـــات ٠

ان البرامج المذكورة اعلاه ستدرس بدقة لتتمشي مع العمل الذى قامت به الوكالات الأخرى وستحين الحكومة العربية السعودية اشخاصا عرب سعوديين لتدريبهم علي العمل في كل فن مما ذكر اعلاه ، والمفهوم لدى بأن حكومة الولايات المتحدة ستكون مستعدة لأن تمنح المدربين

العمل دراسة للتخصص في عدة اماكن وان الحكومة العربية السعودية لترحب بهذه المنح .

ومن المعلوم لدى بأن ممثلي الحكومتين سيشتركا في اعداد التدابير والاتفاقيات الخاصة بتخصيص كل برنامج مع تحديد العمل والأدوات المطلوبة وتشمل هذه التدابير تعيين المصاريف بين الحكومتين وكيفية دفعها ويستثني من هذه المصاريف رواتب ومصاريف الموظفين الذين تقوم كل من الحكومتين بدفعهـــا .

Agreements - Comments
Correspondence.

FILE ~~ISA - SA - ORGANIZATION~~

SECRET SECURITY INFORMATION

Jidda
Gordon Stratton
Dr. Stratton

CONFIDENTIAL SECURITY INFORMATION

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: September 9, 1952

SUBJECT: Point IV Program in Saudi Arabia.

PARTICIPANTS: Sheikh Mohammed Muhtasib, Second Secretary, Saudi Arabian Embassy
Mr. Sturgill - NE

COPIES TO: NEA, NEA-Mr. Gardiner, TCA-Mr. Fryer, NE, NE/E-Mr. Dorsey, Jidda

1—1493

Summary:

Sheikh Muhtasib telephoned early Monday afternoon, September 8, to inform me that a cable had been received from the Minister of Finance regarding operation of the Point IV program in Saudi Arabia. Briefly, he said, the cable covered the following points: Saudi Arabia had accepted Point IV thinking that it would benefit the country; but this had been a mistake. Since the signing of the Point IV Agreement an "army" of officials had descended upon Saudi Arabia, each of whom had to be provided with air-conditioned housing and an automobile, at the expense of the SAG. While Saudi Arabia was paying for these things at a cost greater than the amount of aid received, the US was paying only the salaries of these officials. Saudi Arabia had not benefited from having these officials; there was no tangible progress to show for the money Saudi Arabia was putting into the program. Therefore, the Minister of Finance was considering forgetting about the whole program.

Sheikh Muhtasib said he wanted me to know what was in the cable and especially that the Minister of Finance was considering forgetting about the program unless something were done about Point IV in Saudi Arabia. I called to Sheikh Muhtasib's attention the fact that the Department believed Point IV had been beneficial to Saudi Arabia and alluded to the accomplishments of our people in the fields of finance and water exploration. I told him that the Department was already aware of Saudi Arabia's dissatisfaction with the program and that we had under consideration a plan to meet the situation but were not quite ready to move. He said he hoped something could be done quickly and asked that I give him information by the next day so that he could reply to his Government. The next day, August 9, after

having discussed

having discussed this problem with interested officers within the Department, I telephoned Sheikh Muhtesib and gave him the following information:

I repeated that the Department had already been aware of Saudi Arabia's dissatisfaction with the Point IV program in that country, that we had been working on this problem for some time and that fortunately his telephone inquiry had come at a time when I was able to give him an answer. I reviewed briefly the history of Point IV activity in Saudi Arabia, pointing out that we had known in general what Saudi Arabia had wanted under Point IV but that events had moved rather slowly because the Saudi Arabian Government had hesitated in coming forward with concrete suggestions. Even after these suggestions had been forthcoming, another impediment had been our difficulty in recruiting the high caliber personnel we wanted to send to Saudi Arabia. I mentioned again that the Department believed good results had been achieved by Point IV in the fields of finance and water exploration, and I expressed the hope that the Saudi Arabian Government regarded these achievements favorably also. I pointed out also that the US at the present moment was filling another SAG request for assistance under Point IV by furnishing experts to make a survey of the railroad planned between Riyadh and Jidda. This, I said, was assistance which would lead to something tangible, for the SAG could use the results of the survey to let a contract for the construction of the railroad.

I referred again to my remark of the previous day that the Department had had under consideration a plan to meet the situation in Saudi Arabia. It had taken some weeks to prepare the way, but Point IV was now in a position to discuss with the Saudi Arabian Government an expanded type of program in Saudi Arabia. I informed him that instructions had been sent to Embassy Jidda the night before authorizing them to initiate these discussions. In general and briefly, I said, what we had in mind was an economic development project. The project would embrace agriculture and irrigation, health and sanitation, farm-to-market roads, and vocational education, but would emphasize land and water utilization. The US Government was willing to put $500,000 in economic development funds into this project with the proviso that Saudi Arabia would be willing to contribute as much or more.

I told Sheikh Muhtesib that there had been two specific points about which the Finance Minister had talked to Ambassador Hare before the Ambassador's departure for the United States. The Finance Minister had emphasized his desire for assistance in economic development and he had requested that Point IV initiate a project which would have an impact on the people of Saudi Arabia. The Department believes that the project just described meets both of those points; it is a "follow through" on the type of technical assistance we have been providing or proposed to provide in the past and it will provide something tangible which the people of Saudi Arabia can see and benefit from.

In addition

In addition to initiating this new project in cooperation with the Saudi Arabian Government, Point IV was now in a position to pay the expenses of its own people in Saudi Arabia and thus release Saudi Arabia's own funds for investment in programs, I said. I pointed out to him that this would require a simple amendment to the General Agreement.

I emphasized that the type of project we had in mind was somewhat difficult for us to accomplish because of the restrictive nature of the law but that we were going to do our best to meet Saudi Arabia's desires. I expressed the hope that the Saudi Arabian Government would keep in mind that Point IV is a cooperative thing and that any time the SAG is dissatisfied with its operation, they will talk it over with us on a frank and friendly basis. I felt sure, I said, that with a spirit of cooperation on both sides, our problems could be worked out to the mutual satisfaction of both countries. Sheikh Muhtasib thanked me for this information and said he would relay it to the Ambassador. He then asked, in connection with Point IV absorbing the expenses of its own people in Saudi Arabia, whether or not this would be retroactive, that is, would it cover the period since the arrival of Point IV people in Saudi Arabia. I replied that I would have to look into this matter but that my initial reaction was that it could not be retroactive, since that would mean that Saudi Arabia's contribution to the Point IV program to date would be nil.

NEA:NE:RGSturgill:hhh
9/10/52

Note: SECRET SECURITY INFO

Jidda, Saudi Arabia

SECRET SECURITY INFORMATION

MEMORANDUM FOR THE FILES
of Dr. S. S. Stratton
July 27, 1952.
Re: SAG "Disposition to Cancel General Agreement Unless Scope of Present Program for 53 is Substantially Increased"

At the Ambassador's home on July 26 and at the Chancery on the morning of July 27, we had lengthly discussions with regard to the subject of this memo.

Mr. Locke in previous discussions and in a memo dated July 22 indicated his approval of an increase of one million dollars in FY 53 budget and his willingness to support us in attempting to obtain this increase. Mr. Locke stated that the Minister of Finance would like to see expanded programs in the following fields:

1) Public Health
2) Increased water supply in Riyadh
3) Development of water supply and irrigation for expanded agricultural program in Jizan.
4) Laying out a road building program.

In my discussions with the Ambassador, my remarks were as follows:

1. The additional million dollars could be spent by giving direct economic aid - i.e., funds and equipment - to SAG for the full amount of the expanded program. I expressed my doubt as to my willingness to recommend such a proposal and my skepticism that the Department would accept such a proposal.

(Continued)

SECRET SECURITY INFORMATION

2. Funds could be spent by hiring outside firm to do aerial photography or by hiring outside engineering firms to do a road building survey. I expressed my doubt as to the advisability of, or my willingness to recommend, large expenditures of funds in this matter, and also my skepticism that the Department would accept such recommendations.

3. I pointed out that any increase in FY 53 budget for Saudi Arabia would probably have to be spent in part, or perhaps in large part, for additional technicians.

4. I pointed out that under our present FY 53 program we were not absorbing the technicians called for by our existing staffing pattern because of the inability to provide housing for them in Saudi Arabia.

5. Under these conditions, I did not see how it could be logical to ask for technicians in addition to those now provided in FY 53 staffing pattern.

6. I pointed out that we could spend funds to lease houses for technicians, and furnish these houses, but presumably to the extent that we spent funds for housing we would not have funds for the employment of technicians nor the purchase of equipment.

7. I pointed out that the Saudis were reluctant to see what they call "overhead" expenditures increases - i.e., they want technicians working in the field producing results and not administrative staff and offices here. It is my opinion that we could not increase the program without adding to our administrative and programming staff. I pointed out that the Embassy staff has been, and will be, increased to provide technical support for TCA, although this fact is undoubtedly unknown by the SAG.

(Continued)

8. I concurred that the problem could be in part solved by bringing out only single men, located in places other than Jidda. I stated that if we were to be restricted to single men that must be made very clear to Washington and a hard and fast condition for recruitment. I expressed my belief, based upon advice from Washington, it would be impossible to conduct a recruitment program along these lines. I pointed out that whether men came singly or with their wives, whether they stayed in Jidda or elsewhere, we could not bring them into Saudi Arabia until housing conditions, whatever they might be, were ready for their occupancy.

9. I expressed the opinion that Najib Bey, or appropriate government officials, should be made clearly to understand:

   a. that the FY 53 program could not be expanded without some increase in the number of technicians and some increase in the number of administrative staff,

   b. such an increase in the number of personnel could not be brought to Saudi Arabia unless and until housing was provided.

10. I pointed out also that I would not be in a position to return to Washington and ask for an expanded program unless the SAG presented definite and detailed requests in regard to the nature of the expanded program - requests that could be converted into budget estimates which in turn could be justified.

Wash. Folder

C
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SECRET - Security Information

MEMORANDUM TO: The Ambassador Riyadh, Saudi Arabia.

FROM : E. A. Locke, Jr. July 22, 1952.

SUBJECT : Finance Minister's Attitude Toward Point IV Assistance.

At your suggestion, I visited Shaikh Abdullah Sulaiman this afternoon. Najib Bey Salha did the interpreting. There was no one else present except the Minister's personal secretary.

I opened the subject of Point IV by telling Shaikh Abdullah of what I had heard from you and Dr. Stratton as to his dissatisfaction, particularly with the small amount of aid being given Saudi Arabia relative to other Arab countries. I emphasized then, and several times more in the ensuing conversation, that I was discussing Point IV with him at your suggestion, that as far as Saudi Arabia was concerned it was your show and Dr. Stratton's, but that since his dissatisfaction seemed to involve, to a considerable degree, certain regional aspects, it was felt that I should have a frank talk with him on the whole problem.

Shaikh Abdullah set forth his position exactly as reported in your cable of a week ago to the Department (Embtel 23, July 13) with this elaboration. A number of his colleagues in the Government - and they were people in very high positions - had been criticizing him for months regarding Point IV. He was quite candid in saying that he had used every possible excuse to put them off, including the fact that I would soon be visiting Saudi Arabia. But I had had to postpone my visit for some months due to illness, and now an item had appeared in the press showing how very little aid Saudi Arabia was receiving from the United States in comparison with other Arab countries. All this had led him to conclude that his critics were right and that it would probably be better for his Government to cancel the Point IV Agreement and to add to their own budget the salaries of theexperts they needed.

The main points of my resppnse were:

1). I was not familiar in detail with the Point IV program here, but I understood that some fine work had been done by Mr. Brown, even to the extent of bringing in a number of water wells in various parts of the country in addition to carrying on extensive geologic work, especially in the Jizan area; that Dr. Young had gone way beyond the mere writing of reports by having already established some stability in exchange rates and lately having created a new Fiscal Agency for the Government; that good things were being started in education and other lines; and that the railroad survey had been agreed to, bringing the total aid programmed for Saudi Arabia for this fiscal year to over $1,000,000.

2). In the Congressional hearings this spring, the Point IV officials had been subjected to some hard questioning and even criticism on aid to Saudi Arabia, the view being repeatedly expressed that this was a rich country which didn't really need our help.

#3). Saudi Arabia was, of course, free to give up Point IV assistance whenever she chose. Such a move would not affect their budget seriously, nor would it make any appreciable difference in the United States funds available for the Arab countries. But, I said, I thought it was important to take the broad view and the long range view. I would counsel the most careful consideration before taking such a drastic step as termination of the present agreement. I would also bear in mind that in many fields he could not obtain on his own experts of the same high caliber and independence as he was getting now.

4). We had no funds available for capital purposes, except the $60 million for the refugee program which, for various political reasons, I surmised did not appeal to the Saudi Arabian Government at this time (Shaikh Abdullah's complete silence on this point was eloquent confirmation), but if he would tell me what he thought Point IV should be doing in addition to what it was not committed to do, bearing in mind that it was limited to technical assistance, I could assure him it would get the most careful consideration, though I was in no position to make or imply any promises.

As regards Congressional criticism, Shaikh Abdullah said it obviously was true that his country had a large income as a result of the development of its oil. This was a very recent occurrence, however. It had taken place only in the last few years in a country that had absolutely no other wealth. The people were very poor and, with no agriculture of their own to speak of, were almost wholly dependent on outside sources for their food. Distances were vast and the population widely scattered. There had been no previous investment here as there had been in other Arab countries, and thus Saudi Arabia had had to start completely from scratch. Since World War II she had spent infinitely more than those other Arab countires, by whatever measurement was used, on such basic things as the railroad to Riyadh, harbor works, water supplies, power stations, airfields, etc. But she wasn't doing nearly enough either to meet the minimum needs of her population or to make the best of the countless opportunities available.

What Shaikh Abdullah would like Point IV to consider right away were these projects:

1). Public Health throughout the country.
2). Development of additional water for Riyadh by building dams.
3). Development of agriculture in the Jizan area through irrigation.
4). Laying out a road building program.

He stressed that what was most urgently needed in Saudi Arabia was tangible evidence to the people that Point IV was being of real help.

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X Copy - Nash

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UNITED STATES OF AMERICA
TECHNICAL COOPERATION ADMINISTRATION

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TCA-JA organization

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As regards Congressional criticism, Shaikh Abdullah said it obviously was true that his country had a large income as a result of the development of its oil. This was a very recent occurrence, however. It had taken place only in the last few years in a country that had absolutely no other wealth. The people were very poor and, with no agriculture of their own to speak of, were almost wholly dependent on outside sources for their food. Distances were vast and the population widely scattered. There had been no previous investment here as there had been in other Arab countries, and thus Saudi Arabia had had to start completely from scratch. Since World War II she had spent infinitely more than those other Arab countires, by whatever measurement was used, on such basic things as the railroad to Riyadh, harbor works, water supplies, power stations, airfields, etc. But she wasn't doing nearly enough either to meet the minimum needs of her population or to make the best of the countless opportunities available.

What Shaikh Abdullah would like Point IV to consider right away were these projects:

1). Public Health throughout the country.
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I told Shaikh Abdullah that I would pass all this along to you and Dr. Stratton, and referred to the timeliness of his requests in view of Dr. Stratton's impending departure for consultation in Washington.

Shaikh Abdullah was temperate and reasonable throughout this long conversation, but is clear to me that Point IV is in a precarious position here and that, despite her seemingly large income, Saudi Arabia needs and deserves a larger program. If you and Dr. Stratton feel as I do, and the proper detailed substantion and cooperation are forthcoming from the Saudi's, I will gladly and strongly join you in supporting with the Department, and if necessary with Congress, an expanded program up to a total of $2,000,000.

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SECRET 38
Security Information

D. Stratton.
here Enclosure.

AMEMBASSY, Jidda.

July 29, 1952

Embtel 23, July 13, 1952.

Finance Minister's Attitude Toward Point IV Assistance.

There is enclosed a copy of a memorandum addressed to me by Ambassador E. A. Locke, Jr., reporting a conversation which he had at my suggestion with Shaikh Abdullah Sulaiman, Minister of Finance, at Riyadh on July 22, 1952. It will be noted that, even though a "cooling off" period of some ten days had been afforded between the representations made to me by Assistant Deputy Finance Minister Najib Salha as reported in Embtel 23, and the conversation with Ambassador Locke, the Finance Minister presented the matter to him essentially as Najib Bey had reported it to me and was even more specific regarding his consideration of substituting direct employment for TCA assistance. I believe, however, that the line of argument used by Ambassador Locke must have had a beneficial effect because, when I talked to Shaikh Abdullah two days later, he referred to his previous message to me and his conversation with Ambassador Locke as representing the background of the matter but at the same time he discussed his hopes and plans for the future in such a way as to envisage the continuance of TCA assistance.

Shaikh Abdullah said that the need for development in Saudi Arabia was great and much should be done without delay. He realized that there were limitations on TCA help and he could forsee that, if needed projects were to be developed in time, it would be necessary to have recourse to loans. The remainder of the Eximbank loan figured in this picture and we could rest assured that it would be used constructively; but he was thinking in terms of greater magnitude and of commercial loans and hoped the American Government might be of assistance in that connection. He also spoke of the necessity of the Saudi Government being active in fields more demonstrably related to the welfare of the people as a whole.

I observed to Shaikh Abdullah that, as far as TCA was concerned, it was most important that Saudi desires and plans should be as precise as possible in order to give us something definite on which to develop means of assistance. It was difficult to base programs on general declarations of intent. Cases in point of concern to the Finance Ministry had been the Saudi requests for a water survey, for financial, budgetary and customs advice and for a railway survey, and we had been able to be of assistance in each case. We desired to assist where appropriate and within our terms of reference but it was up to the Saudis to make up their minds what they really wanted to do.

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Regarding the Minister's reference to doing things which would make an impact on the people of the country, this was also the philosophy behind TCA and we were, therefore, in entire agreement on that score.

Concerning loans, that was a subject somewhat outside my field but I could readily see that loans for properly planned constructive development could contribute to the country's welfare. It all depended on the soundness of the planning. American industry and transportation had been largely financed by foreign borrowing and the rapidity and solidity of our economic growth bore evidence of the wisdom of that course of action. However, contrary examples might be cited such as the borrowings of Egypt under Khedives. It was all a question of sound-projects and financing.

I also remarked to Shaikh Abdullah that, at the risk of underlining the obvious, I wished to make it clear that, although the extent of Saudi-American relations was great and generally increasing, we definitely had no desire to see this relationship develop into a position of Saudi dependence on us. It was our belief that the best, and also the most helpful, friend was one who was strong and independent; that was our objective in all our varying relationships with the Saudi Government and its people. Such was not only our American way of doing things but it was also a course indicated by the lessons of history, of other powers in the Near Eastern area.

Shaikh Abdullah said he was naturally glad to hear this but that I could rest assured that no thoughts had ever entered the minds of responsible Saudi officials that our policy was otherwise.

* * * * * * * * * *

With regard to the recommendation of Ambassador Locke for increased Point IV aid to Saudi Arabia, this matter is now under study by Dr. Stratton and myself and will be treated in a separate communication.

Raymond A. Hare

cc: TCA Jidda

Enclosure:
Memorandum from E.A. Locke, Jr.

X-copy

Jidda, Saudi Arabia

SECRET SECURITY INFORMATION

MEMORANDUM FOR THE FILES
of Dr. S. S. Stratton
July 27, 1952.
Re: SAG "Disposition to Cancel General Agreement Unless Scope of Present Program for 53 is Substantially Increased"

At the Ambassador's home on July 26 and at the Chancery on the morning of July 27, we had lengthly discussions with regard to the subject of this memo.

Mr. Locke in previous discussions and in a memo dated July 22 indicated his approval of an increase of one million dollars in FY 53 budget and his willingness to support us in attempting to obtain this increase. Mr. Locke stated that the Minister of Finance would like to see expanded programs in the following fields:

1) Public Health
2) Increased water supply in Riyadh
3) Development of water supply and irrigation for expanded agricultural program in Jizan.
4) Laying out a road building program.

In my discussions with the Ambassador, my remarks were as follows:

1. The additional million dollars could be spent by giving direct economic aid - i.e., funds and equipment - to SAG for the full amount of the expanded program. I expressed my doubt as to my willingness to recommend such a proposal and my skepticism that the Department would accept such a proposal.

(Continued)

SECRET SECURITY INFORMATION

2. Funds could be spent by hiring outside firm to do aerial photography or by hiring outside engineering firms to do a road building survey. I expressed my doubt as to the advisability of, or my willingness to recommend, large expenditures of funds in this matter, and also my skepticism that the Department would accept such recommendations.

3. I pointed out that any increase in FY 53 budget for Saudi Arabia would probably have to be spent in part, or perhaps in large part, for additional technicians.

4. I pointed out that under our present FY 53 program we were not absorbing the technicians called for by our existing staffing pattern because of the inability to provide housing for them in Saudi Arabia.

5. Under these conditions, I did not see how it could be logical to ask for technicians in addition to those now provided in FY 53 staffing pattern.

6. I pointed out that we could spend funds to lease houses for technicians, and furnish these houses, but presumably to the extent that we spent funds for housing we would not have funds for the employment of technicians nor the purchase of equipment.

7. I pointed out that the Saudis were reluctant to see what they call "overhead" expenditures increases - i.e., they want technicians working in the field producing results and not administrative staff and offices here. It is my opinion that we could not increase the program without adding to our administrative and programming staff. I pointed out that the Embassy staff has been, and will be, increased to provide technical support for TCA, although this fact is undoubtedly unknown by the SAG.

(Continued)

8. I concurred that the problem could be in part solved by bringing out only single men, located in places other than Jidda. I stated that if we were to be restricted to single men that must be made very clear to Washington and a hard and fast condition for recruitment. I expressed my belief, based upon advice from Washington, it would be impossible to conduct a recruitment program along these lines. I pointed out that whether men came singly or with their wives, whether they stayed in Jidda or elsewhere, we could not bring them into Saudi Arabia until housing conditions, whatever they might be, were ready for their occupancy.

9. I expressed the opinion that Najib Bey, or appropriate government officials, should be made clearly to understand:

a. that the FY 53 program could not be expanded without some increase in the number of technicians and some increase in the number of administrative staff,

b. such an increase in the number of personnel could not be brought to Saudi Arabia unless and until housing was provided.

10. I pointed out also that I would not be in a position to return to Washington and ask for an expanded program unless the SAG presented definite and detailed requests in regard to the nature of the expanded program - requests that could be converted into budget estimates which in turn could be justified.

COPY

MEMORANDUM TO: The Ambassador — Riyadh, Saudi Arabia.

FROM : E. A. Locke, Jr. — July 22, 1952.

SUBJECT : Finance Minister's Attitude Toward Point IV Assistance.

At your suggestion, I visited Shaikh Abdullah Sulaiman this afternoon. Najib Bey Salha did the interpreting. There was no one else present except the Minister's personal secretary.

I opened the subject of Point IV by telling Shaikh Abdullah of what I had heard from you and Dr. Stratton as to his dissatisfaction, particularly with the small amount of aid being given Saudi Arabia relative to other Arab countries. I emphasized then, and several times more in the ensuing conversation, that I was discussing Point IV with him at your suggestion, that as far as Saudi Arabia was concerned it was your show and Dr. Stratton's, but that since his dissatisfaction seemed to involve, to a considerable degree, certain regional aspects, it was felt that I should have a frank talk with him on the whole problem.

Shaikh Abdullah set forth his position exactly as reported in your cable of a week ago to the Department (Embtel 23, July 13) with this elaboration. A number of his colleagues in the Government - and they were people in very high positions - had been criticizing him for months regarding Point IV. He was quite candid in saying that he had used every possible excuse to put them off, including the fact that I would soon be visiting Saudi Arabia. But I had had to postpone my visit for some months due to illness, and now an item had appeared in the press showing how very little aid Saudi Arabia was receiving from the United States in comparison with other Arab countries. All this had led him to conclude that his critics were right and that it would probably be better for his Government to cancel the Point IV Agreement and to add to their own budget the salaries of theexperts they needed.

The main points of my resppnse were:

1). I was not familiar in detail with the Point IV program here, but I understood that some fine work had been done by Mr. Brown, even to the extent of bringing in a number of water wells in various parts of the country in addition to carrying on extensive geologic work, especially in the Jizan area; that Dr. Young had gone way beyond the mere writing of reports by having already established some stability in exchange rates and lately having created a new Fiscal Agency for the Government; that good things were being started in education and other lines; and that the railroad survey had been agreed to, bringing the total aid programmed for Saudi Arabia for this fiscal year to over $1,000,000.

2). In the Congressional hearings this spring, the Point IV officials had been subjected to some hard questioning and even criticism on aid to Saudi Arabia, the view being repeatedly expressed that this was a rich country which didn't really need our help.

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3). Saudi Arabia was, of course, free to give up Point IV assistance whenever she chose. Such a move would not affect their budget seriously, nor would it make any appreciable difference in the United States funds available for the Arab countries. But, I said, I thought it was important to take the broad view and the long range view. I would counsel the most careful consideration before taking such a drastic step as termination of the present agreement. I would also bear in mind that in many fields he could not obtain on his own experts of the same high caliber and independence as he was getting now.

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